

FINANCIAL TIMES

TUESDAY APRIL 4 1995

Intervention by US Fed and Bank of Japan fails to boost currency

Dollar hits low despite action







Revolution at the European Commission



The realities of a high Yen



Today's Surveys Galicia toque 29-321 pages 11-18)

Barings

deputy

resign

head and

over loss

By Nicholas Denton, John

apper and Jimmy Burns

Mr Peter Baring and Mr Andrew

Tuckey, chairman and deputy

chairman respectively of the

merchant banking group Bar-

ings, yesterday became the first

senior executives to resign in the

In a joint statement, they said

their resignations bad been

available to ING [Internationale

Nederlanden Gronp, the Dnich bank that acquired Barings'

operations for £660m] as a mat-

ter of principle for some time"

but they had stayed on to "share

in the task of restoring the sta-

Mr Baring is leaving a busi-

ness his family built up over 230

years, it collapsed from deriva-

tives losses built up by the for-mer trader Mr Nick Leeson only

months before Mr Tuckey - who

will remain a "senior adviser" to

Barings' corporate finance busi-

ness - was due to succeed Mr

Meanwhile, a preliminary

investigation by the Serious

Frand Office into the Barings

collapse has concluded that Mr

Leeson was acting alone and was

Neither Mr Baring nor Mr Tuc-

key is thought to have received

compensation for standing down

or to have received bonuses for

1994. Both were on three-month

contracts. Formally, they had

remained chairman and deputy

chairman of Barings plc, the for-

mer holding company, which is

in administration and which ING

not part of a criminal conspir-

wake of its collapse.

bility" of the group.

Baring as chairman.

Raytheon to pay \$2.3bn cash

MONDAY APRIL

Affector, Man Ray and Alind Residently topping \$100,000 h

After a tree and other first place on Wednes

ALC general election

S prime minister David Odde ne so win, with polis suggesting

the the position as the larger than the position as the larger than the larger than the chief challenge facing the chief challenge facing the chief challenge facing the

Ty However a majority of kel g the country being control on

in provident is expected to the

had to the general election the

Total in Paris (I'K editions only

1.1851den-21-2

:0:: 25.888 | FEET

±15:0255. EE:

in the contract that

Enforcemental.-

Signer Alberta

Siwad of the nearest to

AND PER A COME S

Salaria salar

the second of the second

Contract of the second second

elections in Japan

Service the transfer

Marke than 17 hand

東京的学生 したっとくだっ

Total Court

Aug Comment

All electric

Dette Car 22 22 22 23 24

sagainst a week and divided

ar and tomerton

YEGY

at the polls

M in Pakistan

LURDAY

shing industry

we votes

ferent, and there is virtually no business overlap."

which has 147 of the 150 seat h World trade storge: World trade in goods rose by 9 per cent last year, its biggest rise for two decades, the World Trade Organisation said. Page 22



P&O's German-built flagship liner Oriana arrived at the southern English port of Southampton where she will be officially named by the Queen on Thursday. Thousands watched as the 69,000 tonne ship berthed to the sound of a band playing on the quayside. Cruising sets sail to a new image, Page 8

Burundi massacre alleged: Burundi troops and Tutsi gunmen massacred an estimated 400 Hutus - mainly women and children - in northeast Burundi last week, diplomats and aid workers said.

appeals for it to cancel plans to sell nuclear reactors to Iran and threatened to stop complying with a conventional arms treaty if Nato admits east Euro-

pean countries. Page 22

Nuclear clean-up will cost \$230bn: The US will have to spend at least \$230bn over the next few decades to clean up the nuclear wastes created by the arms race and future production of nuclear

Kurds continue attacks on Turks: Kurdish-rebels are still attacking Turkish troops in northern Iraq two weeks after Turkey sent thousands of

UK opposition members sacked Britain's opposition Labour leader Tony Blair sacked his party's overseas aid spokeswoman Ann Clwyd and foreign affairs spokesman Jim Cousins for travelling to Turkey and northern Iraq without his permission. Their absence meant they missed two impor-

Gas politition move: Plans for hig cuts in emissions of "greenhouse" gases have been put to the UN conference on climate change in Berlin. The proposal comes from 46 members of the G77 group

remaining food operations to Norwegian consumer products and chemicals group Orkia for SKr4.25bn

around Bibac as Bosnian Serbs continued to shell

Guif Air cancels order: Gulf Air, jointly owned by Bahrain, Qatar, Oman and the United Arab Emirates state of Abu Dhabi, is cancelling an order for six new Boeing 777s after deciding it had enough

Explosion suspected in Romanian crash: an explosion may have caused last week's Romanian Airbus crash which killed 60 people, accident est said it had received an anonymous phone call

Many French still wavering: With three weeks to go until France's presidential election, 44 per cent of voters are still undecided, according to an SCP poll published in the daily InfoMatin. Chirac attacks Balladur, Page 2

gather information for their appeal. They were sen-traced last month to eight years in prison for ille-

R STOCK MARKET MOICES	# QOLD
New York Involveme Dow Joses Int Av	New York: Comex May \$398.8 (394.3)
Enrope and Far East CACAD 1.864.00 (+4.52)	Location: close _\$391.96 (391.75)
FT-SE 100 3,143.1 (+5.2)	# DOLLAR
Made	New York: kinchiline £1.61675
IF US LUNCHTIME RATES	OM1.3725
Federal Funds 6/2% S-unit Treats Effect Viol 5 25 77%	SFr1.1237 V 96.725
1000 Blood 16232 1661 7.387%	
65000000000000000000000000000000000000	Lambon: 1.5169 (1.6288)
BU 3-mp restant 632% (63.4)	0641.3723 (1.3685) FET4.8165 (4.796)
100 F GR 100 F GAT 100 F GT 15	SF71.123 (1.126) 786.19 (86.4)
Server 10 W. Burts 191.07 (101-20)	M STERLING
Commercial and the second of t	DM2.2187 (2.229)
H MORTH SEA OIL (Argus) Heat 15-day (May)\$17:34 (17:425)	Tekye close: Y 87.00
Section (Mary)	CHISO COST CRISCO
Service Delta Delta Mark	- LINE DOLL

Agia-Pacific News ... World Trade News

By Philip Gawith in London and

Intensive efforts by US and

Japanese officials to halt the dol-

lar's recent decline yesterday

failed to prevent the currency

falling to a record low against the

Repeated bouts of dollar-buying

by the Federal Reserve and the

Bank of Japan failed to boost the

currency.
Efforts to talk up the dollar by

Mr Robert Rubin, the US Treasury secretary, and Mr Masa-

yoshi Takemura, the Japanese

finance minister, also had negli-

At hinchtime in New York, the dollar was trading at DM1.3737

and Y86.28, baving earlier touched a new low of Y86.00.

Traders estimated that the Fed

and the Bank of Japan together

bought a substantial amount of

dollars - around \$2bn to \$3bn.

There was no evidence of any

support for the dollar from Euro-

Fears that the yen's renewed

strength would erode the earn-

ings of Japan's export-dependent

manufacturers hit the Tokyo

stock market vesterday, with the

Nikkei average sliding 758.66

points or 4.7 per cent to 15,381.29,

The dollar's latest bout of

weakness can be traced to disap-

pointment in the market that the

US. Japan and Germany failed

last week to co-ordinate moves to

pean central banks.

a 32-month low.

support the dollar.

ton produced no rate rise.

untouched.

gible impact.

George Graham In Washington

A new broom



Japan



Executive Education

for E-Systems

Raytheon, the US defence company known for its Patriot missiles, is paying \$2.3bn in an agreed cash deat for Dallas based E-Systems, which makes recommanded and surveillance systems. "We don't mitchest lay offs as a direct result of this merger," Raytheon said. "The customers and markets are dif-

Flagship liner arrives for official naming:

Russia rejects US plea: Russia rejected US

weapons, an Energy Department report said. Page 4

troops there, a Turkish commander act nowledged.

tant votes in parhament. Page 9

of developing countries. Page 7

Volvo: The Swedish motor group is selling its (\$576.6m). They are also merging their drinks businesses to create a company in which Volvo will have a 55 per cent stake valued at SKr4.55bn. Page 28. Leg 33.

Mato asked to monitor Bibac: UN peacekeepers asked for Nato reconnaissance flights the "safe area" of north west Bosnia. Page 2

investigators said. The French Embassy in Bucharclaiming there was a bomb on board.

Lawyer sees jailed Americans: An Iraqi lawyer spent eight hours with jailed Americans David Daliberti and William Barloon in Baghdad to gally entering Iraq from Kuwait.

R STOCK MARKET INDICES	# GOLD
New York Investigae Dow Joses Ind Av	New York: Comex May\$393.8 (394.3)
NASDAQ Composite	Locatori: class \$39(.96 (391.75)
CACGO 1,864.00 (-4.52) DAY 1,936.82 (-6.23) ST. SC 100 3,142.1 (-5.2)	
FT-SE (90 3,143.1 (+5.2) Helder 15,381.2 (+758.66)	
E-US LUNCHTIME RATES	Tr1.3725
Faderal Funds 64.7% Sunds Treds Bills, Viol. 5,8597%	SFr1.1237 Y
Long Bond 1422 Talk 7387%	Lamber: 1 8169 (1.6288)
M OTHER RATES 80.3-no rector 623% 63-10	1.5169 (1.6288) 064 1.3723 (1.3685) Fit 4.8165 (4.796)
10 y Gil 10 y Gil 100 K 19953 America: 10 yr OAT 97.78 97.19	SF 1.123 (1.126) 86.19 (86.4)
Common 10 w Bund 191.57 (101.20)	# STERLING
W APPRIL CES (OIL (APPRIL)	DM22187 (2.229)
Bigat 15-day (May):\$17.24 (17.425)	
Acetta Scitto Greate Dello Maine	LMUED CART CR13.00

BA THE BE SELLED THE 28 MILES SI LIL 25 BELLER 22 HIM MANY OF 22 HARM BLAND BACK MEN NAMED BANKS CANDED TO BEEN ALLEGED OF THE STATES GRANT SILE OF SILENDS OF RES SELECT BUSINESS SERVER SERVER CONTRACT S THE REAL PROPERTY OF THE PARTY 日期表 **第**次等 J T 15 talker

Bad news: passers-by look at a Tokyo bulletin board showing stock prices yesterday. The Nikkei average slid 758.66 or 4.7 per cent to 15,381,29, a 32-month low

lar. In an attempt to change these perceptions, the administration stepped up its support for the dol-

The Bundesbank cut its discount rate by half a point on Mr Rubin and Mr Larry Sum-Thursday, but Japan cut only its mers, his deputy, have been more overnight lending rate and left resolute in their defence of the dollar over the past week.

And yesterday evening they the more important discount rate

-- Meanwhile, a policy meeting of -- were joined by President Bill the Federal Reserve in Washing- Clinton. Mr Mike McCurry, White House spokesman, said Mr Clinton had been briefed on the This was taken as a signal that the authorities were not concerned about the level of the dolaction by the Fed.

"The president...believes the strong dollar is in the interest of the United States of America." he

In another comment, Mr Rubin said: "We remain committed to strengthening the fundamentals that are ultimately important to maintaining a strong and stable currency.

However, the statements in favour of a strong dollar lack credibility in the eyes of inves-

This is because of the impression created during the Clinton Lloyd Bentsen, traders have been

administration's first months in office that it saw a weaker currency as one way of reducing the US trade deficit.

"It's almost like it has turned into a rubber stamp. The market is becoming a little cynical about the stock comment [about wanting a stronger dollar] from administration officials," said Mr Elliott Dix. senior market analyst at currency dealers Ruesch international.

Since Mr Rubin took over at the Treasury in January from Mr

realities of a marketplace that has already evolved. Rulings by

local communications commis-

sioners meant Ameritech already

faced local competition in Chi-

cago and Grand Rapids, he said. Mr Robert Allen, chairman of

AT&T, the long distance compo-

nent of the former monopoly,

Against the Yen (V per \$) 110 🚝 Source: FT Graphita Japanese stock market Nikde 225 Average (000)

Japan pressed Troubling trajectory ... Page 21 Lex, Page 22; Bonds, Page 34; Currencies, Page 35; World

Source: FT Graphite

stocks, Page 44 wondering whether the former head of currency trading at the Wall Street firm Goldman Sachs would bring a different style to the management of the dollar. But dealers believe Mr Rubin has little faith in the administration's

ability to push against the market's flow. Mr Dix said the dollar was most likely to rebound if the Fed raised interest rates again. "We lost an opportunity last week when the Bundesbank was willing to cut, but we weren't willing to raise," he said.

backed the experiment but said It

was not an adequate model for

Mr Notebaert said he hoped

Ameritech would be in long dis-

tance by next January, but Mr

Allen said he did not expect the

necessary conditions to he met

before the end of 1996.

nationwide telecoms reform.

did not bny.
ING appointed both men to the liaison committee It formed to co-ordinate management of the three Barings businesses. Mr Tuckey became co-chairman of Baring Brothers, the merchant banking arm. The timing of their resigna-

tions was a surprise, since ING declined an offer to resign made by Mr Baring shortly after its

ING said Mr Michael Miles, the former joint deputy chairman of

> Continued on Page 22 Conspiracy ruled out, Page 8 Observer, Page 23

Baby Bell may breach US telecom barrier

By George Graham In Washington

The first significant breach in the wall between provision of US local and long distance telephone services could be opened as early as next January if a federal judge agrees to an experiment announced yesterday by the Jus-

Mrs Anne Bingaman, assistant attorney general for antitrust, said she had asked Judge Harold Greene to allow one of the local telephone giants he created in 1984 to offer long distance service for the first time. Judge Greene's landmark order broke up the old AT&T telephone monopoly and has governed the US telecommunications industry ever since. different parts of its local service to allow competitors to book up so-called Baby Bells created out of the former AT&T, is limited, by the judge's original judgment, to providing local services in the Midwest region of the US.

But, under a deal signed yesterday, it would be allowed to offer long distance service, including international calls, on an experimental basis in the cities of Chicago in Illinois and Grand Rapids, in Michigan. This would happen once the Justice Department was convinced the company had opened its local telephone monopoly to competitors.

If Judge Greene approves the deal, Ameritech would have to

to its network. Consumers would be able to keep the same tele-phone number if they switched to another local telephone supplier. Some of the Baby Bells have

criticised Ameritech for agreeing to a restrictive framework. Others suggest the exercise will be irrelevant if Congress passes a telecommunications hill now heing debated in the Senate, which would break down barriers between local and long distance telephone companies, cable television suppliers and utilities. But Mr Richard Notebaert

Ameritech's chairman and chief executive officer, said his comshow that it had "unbundled" the pany was simply recognising the

Boeing teams with Russia to launch satellites by sea

By Karen Fossii in Oslo and Bernard Gray in London

A consortium of Boeing, the US aerospace company, Norwegian shiphuilder Kvaerner, and the Russian and Ukrainian rocket builders RSC-Energia and NPO-Yuzhoye, is planning to build a

sea-based rocket launch centre for commercial satellites. Total investment in the project will be between \$100m and \$150m and work has started while some outstanding details are finalised. The venture is called Sea Launch and Boeing estimates the first launch will be completed within

The consortium aims to compete head-on with Ariane, the French space company, for heavy satellite launches. "We will aim to beat Ariane on price," said Mr Elliot Pulham; of Boeing.

Ariane has just under half the \$2bn-a-year market for satellite launches. It dominates the launches of heavy payloads of up

Letters ...

to 13,000 lbs. Sea Launch rockets will be launched from a converted self-propelled oil rig, with the operation controlled from a 25,000-tonne command ship. The ship will also be used to assemble the rockets.

Both the rig and the ship will be based in a Californian port and will be moved to offshore sites for lift-off. To launch the important geo-

stationary communications satellites, which appear to hover over a stationary point on the equator. the ships will sail from California to the equator to gain maximum benefit from the rotation of the earth at that point.

Using the slingshot of the earth at its widest point will increase the size of satellite the rocket booster can carry to the high orbits used by communications satellites. Boeing will provide the cargo

project, with Kvaerner building

CONTENTS

Int. Cap Mids.

provide the rocket stages from existing designs. Kvaerner says the use of a

floating platform allows rockets to be fired in any direction, so that they can be put into any desired orbit. Currently, a rocket launched in the US has to be fired from Florida if it is to orbit the equator, or from California if it is to orbit the poles. "We do not have to maintain

facilities at two sites," said Mr Pulham, "and, using the platform, we do not have to convert existing facilities to our rockets. Kvaerner will be responsible for operating the ocean-going launch platform and is negotiating to bny an existing, self-

propelled oil drilling platform. Such sea-launched platforms have been suggested before because of the difficulty of finding suitable land sites on the hold and management of the equator. However, no sealaunched system has come as far as the current consortium.

the ship and converting the oil Foreign Exchanges . Int. Bond Service Managed Funds ...

Chopard LE PETIT-FILS DE L-U. CHOPARD | L.U.C. | FABRIQUE D'HORLOGERIE SOIGNEE

The timeless lines of mechanical perfection - Our tradition since 1860

The classic "tonneau" form with automatic movement, power reserve indicator, date, small second hand (Style no. 16/2248). The refined extra-thin model with automatic movement, power reserve up to 100 hours, with date and small second hand (Style no. 16/1223). In 18K yellow gold, rose gold or platinum. Available at leading watch-specialists worldwide. For information: Chopard Genève, Tel. 022/782 17 17, Fax 022/782 38 59 - London: Chopard Boutique, 14 New Bond Street, Tel. 071/409 3140

LONDON - PARIS - FRANKFURT - STOCKHOLM - NEW YORK - TOKYO

and E-Class servert migaelerment.

Age = 1 100 mm

Commence of the second

Blast fear after Airbus crash

Romanian officials investigating the cause of an air crash last Friday which claimed 60 lives said yesterday that an explosion aboard the Airbus 310 might have caused the accident. Forensic and technical experts investigating the crash, the country's worst aviation accident, said separately that evidence suggested the Airbus exploded before it hit the ground. An investigation team, aided by toternational experts, began decoding the airliner's "black box" voice recorder on Sunday and is to due to report officially on the accident's

The Brussels bound jet, operated by Tarom, the Romanian state carrier, crashed minutes after taking off from Bucharest's Otopeni airport in poor weather conditions on Friday morning. There were no survivors. Investigators have not ruled out the possibility that a bomb caused the accident. The French embassy in Bucharest said yesterday it had received a call on Saturday from a French-speaking man claiming he had placed a bomb on the aircraft. In Brussels, police said they were examining a note claiming "the hand of Allah" brought down the plane. Romania has been hit by a spate of bomh boaxes since a bomb went off in the north last month. A Tarom flight from Bucbarest to Parls was forced to land in western Romania yesterday after an anonymous caller reported a bomb on board. On Friday the capital's domestic airport was closed, after a bomb scare. Virginia Marsh,

Fish talks 'close to deal'

European Union and Canadian officials resumed talks yesterday in an attempt to reach a deal on fishing rights in contested grounds off Newfoundland. The two sides have been at loggerheads over the allocation of a quota for Greeuland halibut, also known as turbot, and monitoring of trawlers operating outside Canada's 200-nautical-mile jurisdiction.

We are close to a deal and the talks are making progress but we are still not there," an EU official said. A Canadian official said "broad agreement" bad been reached on the important issues. "For Canada this has been conservation and the necessary enforcement measures."

The most contentious issues have been allocation of a 27,000 quota set by the Northwest Atlantic Fisheries Organisation, use of inspectors on all fishing vessels and Canada's right to police fishing in waters outside its jurisdiction. The EU official said the two sides were close to agreement on all three issues. But the quota allocation was proving hardest to resolve mainly due to disagreement over how much EU trawlers have already netted this year, Caroline Southey, Brussels

Russian HIV test for foreigners

Mr Boris Yeltsin, Russia's president, has approved a law requiring all foreigners who plan to live in Russia for more than three months to produce a certificate proving they are free of HIV, the virus which can lead to Aids. The law, which will take effect from August 1, has incensed Aids activists and medical specialists who claim it is discriminatory and counter-productive. But the law is not as stringent as an earlier draft which proposed that even tourists should prove they were HIV free before entering the country. The tourist industry protested that this would be impractical given that 5m foreigners visit Russia a year.

Foreigners found to be HIV-positive will be deported. Russians in certain professions will also be required to undergo tests. According to a local health association, 863 people in Russla were registered as HIV-positive between 1987 and 1994, of wbom 111 developed and died of Aids. *John*

Crimea silent over decree

Local leaders oo the Crimean peninsula yesterday appeared resigned to Ukraine's assertion at the weekend of sovereignty over the autonomous republic. The parliament called President Leonid Kuchma's unilateral move to put the local government under his control "unconstitutional", but the independence or declare the Saturday decree void. Mr Kuchma's decree also reinstated Mr Anatoly Franchuk, the previous prime minister. Mr Franchuk is a Kuchma ally who lost a vote of confidence in the regional parliament two weeks

The latest decree, which comes two weeks after Kiev launched a bloodless crackdown by annulling the 1992 constitution and unseating the secessionist regional president aims to quash any lingering hope among Crimea's predominantly Russian population of a reunion with Russia. The Kuchma decree said the new powers were intended "to secure control over all spheres of life in the Crimean republic' until a new, presumably weak, regional constitution was approved, maybe by next month. Matthew Kaminski, Kiev

Italian magistrate steps down

Mr Antonio Di Pietro, Italy's hest known investigative magistrate who was instrumental in breaking some of the most important corruption scandals, formally left the judicial procession yesterday. With his characteristic sense of theatre. the Milan-based magistrate made the announcement at a conference discussing ways to tackle the problems of corruption in Italy.

He first revealed be was stepping down as a magistrate last December but has since been playing a guessing game with the media and political parties over whether or not the gesture was final. He has consistently denied he will enter politics, the latest denial coming only last week. But his popularity is such tbat he is being wooed by a number of political parties and every commentator takes it for granted that sooner or later he will chance his arm in the political arena. He has even been talked of as a possible candidate to head Mr Silvio Berlusconi's right-wing alliance. Since January he has been teaching law part-time at a private Brescia university. Robert Graham,



US defence secretary William Perry raises his glass in a toast to his Russian counterpart, General Pavel Grachev, in Moscow vesferday

Mr Nyet tests patience of the west

Bruce Clark and Chrystia Freeland on the thinking behind the Russian leadership's return to a more belligerent foreign policy

accepted western capitalism as the best way to run an economy but in foreign policy the new Russia is bearing a growing resemblance to the

During a visit by Mr William Perry, US secretary of defence, to Moscow yesterday, Russia delivered a rejection of two western overtures in tones more evocative of Soviet diplomacy than the new era in which the Russian prime minister is on friendly terms with the managing director of the International

Monetary Fund. In addition to rebuffing Washington's most recent bid to persuade Russia to cancel a planned sale of nuclear reactors to Iran, Moscow added two new threats to its long-standing opposition to Nato's expansion to include east European countries.

Mr Vladimir Shumeiko, chairman of the upper house of parliament, was quoted by a Russian news agency as telling Mr Perry that friction between Russla and the west over Nato expansion was likely to prevent the legislature from ratifying the Start-2 strategic arms reduction treaty.

Along with this warning came the threat from Gen Pavel Gracbev, Russian defence minister, that "countermeasures would be taken" if Nato expanded eastward too quickly. He

By Robert Graham in Rome

The government of Mr

Lamberto Dini has introduced

legislation to streamline the

confused and opaque world of

ftaly's public works contracts,

The net effect of the series of

measures would be to bring

Italian practices into line with

those in other European Union

countries, with greater trans-

parency, more competition and

more independent control over

both costs and quality.

source of corruption.

specified that the 1990 Conventional . which the latter has ceased to exist. Forces in Europe (CFE) treaty, which limits the numbers of troops and weapons in Europe, could become the hostage of Russia's discontent with Nato. If Nato expanded more swiftly than Moscow would like, Gen Grachev said, "we would not abide hy the CFE treaty". He added, without elaborating, that Russia might set up new "military groups" and intensify co-operation with the former Soviet republics.

Even before Gen Grachev's statement, Russian officials had been warning that they saw no prospect of tha CFE treaty being implemented in its current form, which calls for deep cuts in tanks, aircraft and artillery by late 1995. They want an increase in the amount of armour Moscow is allowed to keep in north-western and south-western Russia as a minimum price for the treaty continuing to hold force.

Ironically, the Chechen war, which many analysts had initially predicted would harden the west's attitude to Russia, formed part of Gen Grachev's justification for Moscow's tougher new stance. "We need more heavy armour in the Caucasus," he said, "And the Chechen experience proves this again." A more fundamental Russian argu-

ment against the existing CFE treaty is that it was concluded between two

The prospect of a new CFE treaty was raised in a Russian paper submitted at the end of last week to a meeting in Prague of top officials from the 53-nation Organisation for Security and Co-operation in Europe (OSCE). The Russian document called for talks on "how to adapt and supplement, in conformity with the realities of a new

Europe, the existing treaty basis,

through the elaboration of a new, nonhloc based, full-scale agreement, the ut behind the Russian calls to Brevise the CFE arrangements lurks Moscow's more radical effort to supplant Nato, an alliance

which Russia realises it is unlikely to penetrate on its own terms, with a potentially more malleable body, the Russian officials are sticking by their idea of upgrading the OSCE, even though OSCE inspectors have reported

clear violations of the organisation's rules by Moscow's forces - as well as the rebel side - in the Chechen war, The Russian document submitted to the Prague meeting touches on this Russian goal with its call for negotiations on "co-ordination and interaction between the OSCE and other European

In other submissions to the Prague talks, Russian diplomats called for the OSCE to be endowed with greater legal authority and a "executive committee to take significant decisions.

This amounts to a softer version of the ideas that Russia unsuccessfully floated last year, under which Nato would have been subordinated to the OSCE in a new hierarchy of European

The western response to Russia's increasingly muscular foreign policy stance has been oddly flat-footed. Pressed by reporters to state one loss which Russia has sustained in connection with its brutal military intervention in Chechnya, the best Mr Perry could offer was that "we have been. unhappy and expressed our unhappi-

But ha insisted that the Clinton dministration continued to "believe fundamentally in the importance of engagement" with Russia. Part of that belief rests on the west's fear that, if the Yeltsin government is to be replaced, it will only be by rulers even more hostile towards the west.

Russia's current leaders know this, and they are now beginning to explore how far they can push their western partners while remaining more appealing than the nationalist and communist

guish between corrupt manage-

ment and the companies them-

selves. This will ensure a

company is not always penal-

ised for the improper activities

is to prevent companies being

involved in both the drawing up of bids and the bidding for

decided to replace the Merloni

lsw's plan for a specially con-

stituted authority to monitor

contracts with a more limited

commission to watch contracts

Culture ministers leave EU TV policy in doubt

The future of European Union remained clouded in uncertainty last night after culture ministers from the 15 member aimed at tightening restrictions on Europe's television

At a meeting in Luxembourg draft European Commission document that proposes strengthening quotas for the amount of European Unionamount of European Conormada programmes screened and phasing them out over 10 years. Officially the reason was the document was not ready, but a more likely explanation was that France - chairing the was that France - chairing the meeting - wanted to postpone the debate until after the French presidential election.
In addition the ministers

gave a mixed welcome to the idea of an EU-wide guarantee fund to underwrite European film and television produc-tions. The idea for a guarantee fund stems from the difficulty European film-producers face in raising capital in a high-risk

Mr Marceline Oreja, the commissioner responsible for audio-visual affairs, told minis ters that a Ecu200m (£166m) fund, for example, would generate Eculbn for investment. He was asked by ministers to prepare a written document for consideration, although Ger many and the UK expressed opposition to any such plan.

The ministers supported doubling to Ecu400m funding for the Media-2 programme which finances production, training and distribution. While the official debate on

television quotas was post-poned, ministers and officials suggested the deadlock on how to revise the 1989 "television with frontiers", directive was no nearer to being broken. French officials argued the debate was going their way

and the reason for delaying a debate until June was to pre-vent countries taking entrenched positions at an early stage on an "ill-prepared France bas been at the fore-

front of moves to impose a . stricter regime on European screen a majority of EU-made programmes, thereby protect ing European culture from American imports. contracts. Mr. Baratta has also

But following a meeting in Bordeaux in February it became clear that most member states opposed a rigid system of quotas. The Commission subse-

quently revised initial proposals which envisaged a phasing out of quotas - currently 51 per cent - over 10 years. However they also proposed scrapping a legal loop-hole that has allowed certain European channels to ignore the law on quotas - namely that they only apply "wherever practicable". In addition, Mr Oreja's proposals offer thematic channels such as cartoon or specialist movie channels - the opportunity to invest 25 per cent of their production budget in European-made films and pro-

with the quotas. Officials from the countries that oppose tightening quotas - the UK, Sweden, the Netherlands, Denmark, Germany, Austria and Luxembourg said France put off a discussion as it only had the support of Belgium, Greece, Ireland and the European parliament. The ministers will meet again at the end of June to discuss the Commission pro-

grammes, rather than comply

over Ecu5m (\$6.6m) with a specific emphasis on quality. However, one of the first acts sought to exclude companies The timing of the move has process to prevent contractors been forced because temporary and politicians rigging the outby the government of Mr Silvio involved in corruption, the Chirac attacks 'power-hungry' Balladur

Italy to act on public works contracts

kick-backs.

contracts. Governi

come. In many cases it tran-

spired costs were 20 per cent

above the real price to ensure

The second consequence was

a near total freeze on the

award of new public works

ments and local administra-

tions were afraid to fall foul of

the magistrates and awaited

new legislation. This was pre-

pared under the Amato and

Clampl governments by the

then minister of public works

and became known as the Mer-

By John Ridding in Paris

Mr Jacques Chirac, seeking to huttress his lead in the race for the French presidency, yesterday struck ont at Mr Edonard Balladur, his Gaullist rival, accusing him of amassing too much power in the economy and in the media.

The mayor of Paris, who bas seen a commanding lead narrow in the latest opinion polls for the April/May election, accused the prime minister of creating a "Balladur state". In an interview with France-Inter radio, be claimed there had been "an extraordinary seieconomic and media activi-

measures introduced by the

previous Berlusconi govern-ment last May lapsed last

week, indeed, the cabinet was

obliged to meet in special ses-

sion on Sunday to prevent a

scandals first broke in early

1992, public works contracts

came in for scrutiny from

investigative magistrates. This

bad two important conse-

thorough clean-up of the bid-

ding and contract awarding

The first was a call for a

italy 5 corruption

vacuum occuring.

quences.

The comments were the latest shots in a broadside of criticism between the two Ganllist rivals to succeed President François Mitterrand. They reflect Mr Chirac's attempt to portray Mr Balladur as a premier with "monarchic tendencies", compared with his own, more populist, style.

Mr Cbirac rejected claims that he would seek to consolidate his own power base through dissolving the national assembly, dominated since 1993 by the centre-right the dangers of "exacerbating

zure over the past two years of RPR-UDF coalition. "Dissolntion is a means to resolve a lst movement. His comments polltical crisis without a sofution. A president who dissolves it while he has a majority is ahusing his power."

Supporters of Mr Balladur, encouraged by a slight recovery in his poll standing, condemned Mr Chirac for attacking the policies of a government be has supported for two years. But Mr Charles Pasqua, the powerful interior minister and a Balladur ally, songht to calm the row.

Speaking on the campaign trail in Verdun, he warned of

antagonism" within the Gaullare likely to fuel speculation that Mr Pasqua is trying to prevent exclusion from office should Mr Chirac triumph.

Berlusconi last May was to sus-

pend the law on the grounds that projects were being held.

up and job creation was suffer-

ing. The move was heavily criticised by the opposition who claimed this would permit cor-

year the value of public works

contracts increased 20 per cent

Mr Paolo Baratta, the public

works minister, has incorpo-

rated a good deal of the Mer-

loni law (nine out of the 17

articles are borrowed). But

unlike the Merloni law, which

to L16,000bn (\$9.4bn).

Aides to the prime minister claimed that the high level of undecided voters increased the chances of avoiding such an ontcome. A survey published yesterday in Infomatin, the daily newspaper, said that up to 44 per cent of voters had still to make up their mind with just three weeks left before polling in the first

round of the election. A poll published on Sunday undecided, and showed that Mr Chirac had lost 2.5 percentage points to stand at 24.5 per cent, compared with 20.5 per cent for Mr Balladur.

Mr Lionel Jospin, the Social-ist candidate who retains a slight edge over Mr Balladur with 22 per cent in the latest poll, was rebuffed yesterday by the Communist party. Mr Robert Hne, the Communist candidate, ruled out the possibility that party memhers could serve as ministers in the event of a Socialist victory. Mr Jospin had raised the possibility in a weekend interview.

Tough medicine is business prescription for France Viewed from the hoard John Ridding reports on the boardroom hopes riding on the presidential election



rooms of France, the dential elections are regarded with unease. The changing of tbe guard at the Elysée pal-

ELECTIONS
April 23/May 7

the Elysee parace, and the probable end of a period of cobabitation betweeo a Socialist president and a centre-right government, provide the opportunity to tackle vital reforms. In particuing a reduction in payroli taxes which support the national welfare system and which weigh heavily on companies'

But the contest to succeed President François Mitterrand has also brought risks. The campaign, coinciding with recovery from the recession of 1992-93, has fuelied demands for increased salaries. It has

put workers on the picket line and pay at the centre of the political agenda. "The situation has deteriorated," says the

chairman of a Lyons company. Such deterioration has been largely confined to the public sector. The Renault motor group, Air Inter, the domestic airline, and the national railway network have been among those affected. But private sector companies have faced demands for increased wages after several years of restraint. A dispute at the ski manufac turer Rossignol is one example where management has been forced to tocrease its pay offer to end a strike.

For the moment, such dis-ruption and the pay demands remain relatively limited. But trade unions are seeking to seize the initiative. "Further actions will be taken," says Mr Marc Blondel, general secre-tary of Force Ouvrière and a strong advocate of a general

rise in salaries. More seriously, the disputes

have cornered the candidates for the Elysée, forcing expres-sions of support for wage increases. Even Mr Edouard Balladur, the conservative prime minister, has changed tack. "There is certainly room to resume raising wages," he said last week after Renault had offered a 4.5 per cent pay

Within the ranks of industrialists, the push for higher wages has prompted rifts. For Mr Jean Gandois, head of the Patronat employers' federation, increases should be accepted last week that compa-nies which report rising profits and which reject pay rises risk

expected rate of inflation.

"provoking" employees.
For some businessmen, this was itself provocative. Mr Louis Schweitzer, the chairman of Renault and who last week announced a trebling in profits, rejected the link between improved company and employee earnings, arguing that each company's pay policy must be dictated by Ionger term prospects. The hesd of one engineering

group expressed a broader concern. "Encouraging wage rises risks opening a Pandora's box," he says. "It creates the risk of inflationary pressures and of blunting the competitiveness we have struggled to establish."

An equally significant struggle lies in the issue of payroll taxes. Such charges, which cover health, pensions, and other welfare costs, are often between 40 and 50 per cent of the basic salary. "We hold the world record for social charges," says one senior Patronat official.

For the Patronat, as for individual company bosses, the lowering of such charges and the country's welfare deficits is a priority for the next president. "These charges represent the essential of our handicap compared with rival economies," says Mr Gandois.

All three principal candi-dates, Mr Jacques Chirac, the Gaullist mayor of Paris, Mr Balladur, and Mr Lionel Jos-pln, the Socialist hopeful, have said they will cut charges. The big question is how far and how fast they move. "None of them has spelled out how he will pay for the reduction in revenues," says one company chairman.

Lika his counterparts at other business groups, he declines to endorse publicly any of the candidates. So too, does the Patronat. "We will be neutral," says Mr Gandois. With respect to Messrs Balla-dur and Chirac, the principal

difference is seen as style rather than substance, although the prime minister is credited with a stronger com-mitment to budget cutting and anti-inflationary policies. Style, however, is regarded as important. "Mr Chirac has been broadening his support base, seeking to portray a populist director. That is important. reforms. Wa must avoid a widening social fracture."

Some of the proposals put forward by Mr Jospin have drawn a frosty response. In particular, his plan to reduce the working week from 39 hours to 37 hours by 1997 with-ont pay cuts prompts an angry reaction from many industrial-ists. "It would be a further shackle in our attempt to compete," says an executive at one electronica company, in a widely held view.

On other issues, however, there are divergences. These extend to debate on European monetary union and the rigorous policies necessary to get there. Mr Noel Goutard, chairman of Valeo, the motor components group, argues that the keeping the French franc tied to the D-Mark has brought damage. There are very high social costs. The price in terms of unemployment is too great." be says, referring to the 12.3

But most business leaders seem in favour of the move towards a single currency. "We need the stability in exchange rates," says Mr Jean-René Fourton, chairman of Rhone Poulenc. He believes that the discipline imposed by the antiinflationary policies of succes-aive governments has helped restore the competitiveness of French industry. This competitiveness is reflected in a resurgence in exports and a record trade surplus of FFr87bn

(£11bn) last year.
Whether the edge of French industry can remain sharp into the next millennium will depend, at least partly, on the next incumbent of the Elysée. "Our main concern is that they are not fully aware of the tough action they will need to take on the welfare system," says one executive. "Now they re trying to please everyone with talk of pay increases, bud-get cuts and lower charges. But they must make tough choices after May."

POSSAL.

THE FINANCIAL TIMES
Published by The Financial Times (Europe)
GmbH, Nibelungaopiatz 3, 60318 Frankfirst am Main, Germany, Telephone ++49
69-156 SO, Fast ++49-69-596-4481, Telex
416193. Represented in Frankfurt by I.
Waller Brand, Wilhelm J. Brüssel. Colin A.
Kengari as Geschältsührer and in London by David C.M. Bell, Chairman, and
Alsin C. Miller. Deputy Chairmans. Shareholders of the Financial Times (Europe)
Ltd. London, Shareholder of the
above, mentioued two companes is: The
Financial Times Limited, Number Ose
Soushwark Bridge, London SE1-9HL
GERMANY;
Responsible for Advertising, Colin A. Kenand, Primer: OVM Druck-Vertrieb und
Marketing GmbH, Admiral-RosendahlStrasse 3s. 63363 Nac-Isenburg (sownet by
Hürriyet International). ISSN, 0174-7363.
Responsible Editor: Richard Lambert, clo
The Financial Times Limited, Number One
Soushwark Bridge, London SE1-9HL
FRANCE;
Publishing Director: D. Good, 168 Rus de
Rivol, F-75044 Paris Cedex Ol. Telephone de
Rivol, F-75044 Paris Cedex Ol. Telephone

Southwark Bridge, London SEI 9HL
FRANCE
Publishing Director: D. Good, 168 Rus de
Rivol, F-75044 Paris Codes Ol. Telephone
(01) 4297-0621, Faz (01) 4297-0628.
Printer: S.A. Nord Echair, 1527 Rue de
Ceire, F-99100 Ronbair Cedes I. Editor.
Richard Lambert. ISSN 1149-2158. Commission Paritaire No 67508D.
SWEDEN:
Responsible Publisher: Hugh Carnegy 468
618 6083. Printer: AB Rvellishleiningen
Expressen, PO Box 6007, S-550 06, Jon:
Ropons,
O The Financial Times Limited. 1995.
Editor: Richard Lambert.
ofo The Financial Times Limited. Number
One Southwark Bridge, London SEI 9HL.

ato he

AVESDAY APRIL 4 IN

The fature of European policy of broader trimy last right after the light and the light after the lig states ducked a check simed at tightening to At a meeting in Line

draft European Comp document that he strengthening quotas document that wooding of Emphesia made programmes in and phasing then on o De document are and but a mary the water was that France - change the debate and the French presidental est. H Schrift 35 Mg pare a many religion.

Head of an Ethick say.

And to understate by and television by Inne The dea !.. Supri sorms the de European Sun producti

tolsing (aping taking - Mr Marceline Oreline missioner Tespessia enilo visus, and a man ters that Drawing hand for the second MO Was comed to the Andrew Programme and the many our --OCT ... The marganitation

The desired

**

The value of the same of the s the state in the **東京** 1771 - - -Market and the court has - Treesent in the same trees Actor: ----E * * * ERRECCION DIALLES The state of the s Property. STATE OF THE Principal Commence Line Activity of the second A CONTRACTOR OF THE PARTY OF TH

かった アンコー・・ HE LY Attack Town 素は トリーム・ロー ない かんしつ じょ Decree of the Land They street in the said Service of the service of Ter I-v THE PARTY. 1. 154 Admy ? MALO ST - الشنشطان Hora 064i - - -Mar. ...

Cart -

E Best Store Carlo .

- P-P-1 357 354

United Nations peacekeepers yesterday requested Nato reconnaissance flights and called on Bosnian Serbs to half their shelling of Biliac, the Moslem enclave and "safe area" in north west Bosnia. An opsurge in fighting yesterday could signal the start of a Serb counter offensive follow-ing a fortught of attacks by

Bosnian government forces on Serb positions in north-eastern and central Bosnia. Mr. Radovan Karadzic. Bos-nian Serb leader, threatened last week to launch a counteroffensive unless the internafional community warned Bosnian forces to halt their

attacks Rive shells yesterday slanding into Bihac town, with one shell falling 30 metres from a UN patrol. A Dutch military observer and a local UN interpreter were slightly wounded. - About 12 artillery rounds fell in Bihac on Sunday, a UN spokesman in Zagreb said. He added that initial reports indicated the shelling east and south-east of Bibac came from

about the shelling of the town, one of six UN-protected safa areas in Bosnia. He said Nato was asked to conduct reconnaissance flights to locate Serb weapons firing on the safe

Bosnian radio reported an upsurge of fighting near a key communications tower at Mt Majevica, in the north-east. The UN also reported firefights between Serb forces and the mostly Moslem Bosnian army north of Travnik and near Bugojno in central Bosnia.

Fighting continued in the northern part of the Bihac pocket, in a joint offensive against government forces by Serb forces from neighbouring Croatia and rebel Moslems loyal to Mr Fikret Abdic, a maverick who is believed to be supported by Belgrade.

Temperatures rose yesterday, increasing fears that clashes would escalate. "The snow was so severe last week that presumably both sides have a lot of vehicles, weap-onry and infantry in the wrong place," said Mr Michael Williams, a UN spokesman in Zagreb, adding that he feared an surge in fighting over the next few days.

The leaders of both sides

have indicated they have used the three-month-old truce, the most successful since conflict erupted three years ago, to prepare for more fighting. The Bosnian government has refused to renew the agreement when it expires on April 30, on tha grounds that it would cement Serb military gains, Serb forces currently hold 70 per cent of Bosnia.

ministers UN calls for Serb economic policy 'is no leave El Nato help more than a survival plan' TV polio Nato help While Serbia hopes for the lifting of United Valuations imposed sanctions, independent economists warn that the government was declined by 2 per cent in each of the past four months. More while of Cashe now live Nations independent and third of Cashe now live Nations independent has done it the past four months. More while of Cashe now live Nations independent and third of Cashe now live Nations independent and of the past four months. More while of Cashe now live Nations independent and of the past four months. More while of Cashe now live Nations in the past four months. More was four months. More while of Cashe now live Nations in the past four months. More was four months. More next day it stabilised below its decline. Wage freezes and price decline. Wage freezes and price of the past four months. More next day it stabilised below its decline. Wage freezes and price decline. Wage freezes and price decline. Wage freezes and price decline.

NEWS: EUROPE

ment is taking no credible measures to prepare the country for re-emergence into the

Current policies, they say, amount to little more than a sanctions survival plan.

The government's economic policies are not credible," said Professor Pavle Petrovic, a senior lecturer at the University of Belgrade. "If sanctions were to end tomorrow it would take four years of drastic eco-nomic reforms, fiscal discipline and high levels of investment in the form of international loans to get industrial capacity back to 60 per cent of previous

The intensifying conflict in Bosnia and rising tensions in Serb-ruled areas of Croatia have added to a mood of pessimism among pro-reform economists in Belgrade.

Statistics gathered at Belgrade's Institute of Economic Sciences and a private consul-tancy, the Centre for Economic Studies, show that living standards and economic development have plunged to the lev els of the late 1960s.

than a third of Serbs now live in poverty compared with 6.2 per ceot in 1990. The public has long ago lost confidence in the banking system.

In January 1994, the government of Serbian president Slobodan Milosevic halted one of the world's biggest hyperin-

Some economists believe that, despite official denials, the government may be preparing a devaluation of the dinar, by as much as 50 per cent. They are convinced that such a move would be aimed at raising more hard currency from the population.

John McKay on warnings of a lack of post-sanctions policy

flations. The national mint stopped printing money and a new dinar was introduced. pegged on parity at one D-Mark. This brought temporary relief to the country which was already in perilous economic straits after only symbolic attempts at reform.

Serbian ecocomists believe the respite from hyperinflation will be short-lived. Last week the dinar fell steeply on the black market. Rembering the nightmare of byperinflation. Serbs were desperate to spend their money. Shops closed early to protect their stocks.

at the Institute of Economic Sciences, Mrs Aleksandra Posarac, the government has spent DM1bn in the past year just to enable it to circumvent sanctions. "This sum covers the paying of bribes, premiums on imports and discounts on exports," she said.

The smuggling of fuel has been so successful that the price of petrol, sold from bot-tles and cans by the roadside, has fallen to DM1.5 a litre from DM2.5 a litre last December. One spectre hanging over

economic life is the dominance

decline. Wage freezes and price controls are announced and abandoned almost immediately. Very basic liberalisation plans are drawn up but never followed through and public expenditure remains a state

Mr Stojan Stamenkovic, an economist and former deputy director of ex-Yugoslavia's Federal Planning Bureau, and otber pro-market economists believe the government has lost touch with economic reality, or it would be embarking on at least a minimal reform path to reintegrate into the world economy.

For the realities are harsh.

When sanctions are evectually lifted, the majority of Serbia's share of the old federation's debt, including accumulated interest, will have matured. This will amount to about \$5bn-\$7bn," said Mr Stamenkovic. To say nothing of damage claims against Belgrade by war-torn former Yugoslay republics.

"Here in Belgrade the policies are the opposite of what



Milosevic: government accused of losing touch with reality

and the World Trade Organisa- of peaceful intent.

Central bank hard currency reserves are down to about \$200m, the economists say, but point out that the bank does have an undisclosed amount of reserves beld secretly abroad and in accounts frozen under sanctions.

To avert economic catastrophe and more social upheaval, "dissident" economists believe that if the right policies were put in place they would at least prepare the ground for

International Monetary Fund be viewed as a demonstration

etary and fiscal measures required include: devaluation of the dinar by more than 100 per cent, while at the same time correcting enormous price distortions and imposing tough budget constraints at all levels.

We were 20 years ahead of the former communist countries of the east bloc and it has all been thrown away," Mr Stamenkovic said. "They (the government) are not paying for

THE PROPERTY OF THE PROPERTY OF THE PARTY OF

Second year of strong growth for E Europe

other former Soviet republics according to the United Nations Economic Commission

for Europe -The ECE's annual economic survey, published today, says gross domestic product in east Europe outside the former Soviet Union rose by just under 4 per cent last year, the first aggregate increase since the fall of communism in 1989. The recovery from the "transition, shimp, which began with Poland in 1992, has now spread to virtually all countries in the

region : The Geneva-based ECE. which groups 55 nations in western and eastern Europe and North America, expects average GDP growth in most east European economies this year to be about 4 per cent. A notable exception is Hungary, where growth may sink close

By contrast, in Russia and other members of the Commonwealth of Independent States, the outlook remains grim Russian GDP fell by 15 per cent last year and there were even bigger falls elsewhere in the CIS. A further drop in economic activity - of perhaps 9 per cent for Russia -

is likely this year, the report

The ECE notes that in east-Central and east European en Europe average output fell nations are well on course for by more than 20 per cent a second year of sustained ecopetween 1989 and 1993 and nomic growth but output is industrial production balved. are sustained, most countries in the region will not regain 1989 levels of output until about the turn of the century.

However, one encouraging sign is a pick-up in fixed investment, especially in machinery and equipment. This indicates that essential modernisation and restructuring is under way, especially in the leading group of reformers Poland, Slovenia, the Czech Republic and Hungary.

Most of this investment is being financed by enterprises using retained profits and not, as was once expected, by foreign investment or bank lend-

Other positive developments in eastern Europe, although not in Russia and the CIS, include a marked slowdown in inflation and a halving of the aggregate current account deficit last year as exports jumped by twice the rise in imports.

More worryingly, the ECE expects unemployment - now 10-18 per cent of the labour force in most east European nations - to remain high, with insufficient jobs being created to absorb redundant workers and new entrants to the labour

Sony's business success in Wales over the last 20 years makes for some impressive viewing.

During this time their business has thrived, growing by a staggering six times.

More recently, Sony have manufactured the advanced Trinitron television range in Wales.

Helped in no small part by the highly skilled Welsh workforce, a large network of local suppliers and an abundance of quality sites.

Not to mention the advice and support of the Welsh Development Agency. The picture for Sony is looking bright in Wales.

Find out how we can help your company in Wales by posting or faxing your business card to us on +44 1222 345615 at the International Division. Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff, CF1 3XX. Or telephone our Customer Services Team on +44 1222 828820.



THE WELSH ADVANTAGE

Turkey defiant on Iraq pull-out

By Judy Dempsey in Bonn

Mr Erdal Inonu. Turkey's foreign minister, yesterday said Ankara would withdraw its troops from northern liaq only when it had created a "security situation" which would prevent Kurdish milltants from attacking Turkish territory. He gave no timetable

for any withmawai. In a robust defence of Ankara's decision last month to omy. But Mr Inonti refused to send 35,000 troops into northem haq against Kurdish sepafatist guerrillas, Mr Inonu, speaking in Bonn on the first leg of a diplomatic offensive said Turkey was simply defending itself

Our goal is to take out PKK Kurdistan Workers' party almis depots and to create a security situation in which the PKK cannot attack our country from there. When we accomplish this objective. our soldiers will immediately

nature to Turkey." Mr. Klaus Kinkel, German foreign menister, who is under pressure from his coalition

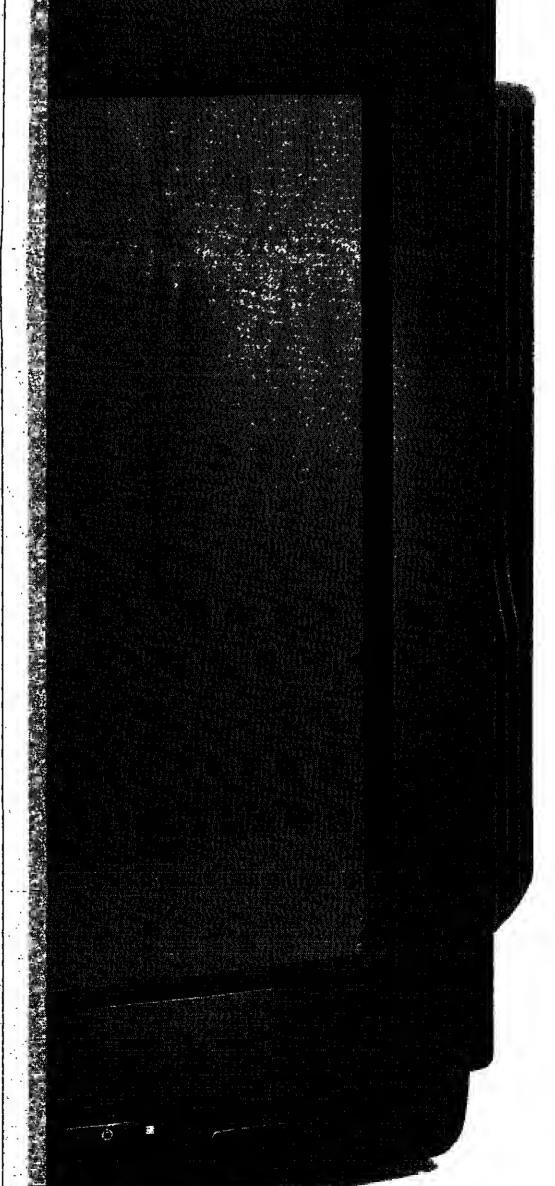
partners for taking a tough line last week against Ankara, sought to temper his remarks. Turkey should withdraw "if pessible tomorrow, he said, adding that the longer troops remained in Iraq, the greater the strains would be between Bonn and Ankara.

Mr Kinkel also urged Ankara to find a political solution to the Kurdish problem, involving some form of cultural autonbe drawn on this issue.

He said a political solution could not be found until democracy in Turkey was "more developed". This would take time and patience, he

Despite Mr Inonu's reluctance to give a timetable for withdrawal of troops, or any long term proposals for resolving the Kurdish issue, Mr Kinkel said Germany would still support a customs union treaty between Turkey and the Euro

pean Union. However, he added that this had become "significantly more difficult".



US tax reformers look to Kemp

The Republican leadership in Congress is to ask Mr Jack Kemp, the former housing minister, to head a new commission on economic growth and radical tax reform.

A joint announcement hy Congressman Newt Gingrich, the Speaker, and Senator Robert Dole, the majority leader, was expected late yesterday. High on the commission's agenda, according to a Senate aide, would be the feasibility of introducing a flat rate for rent, complicated tax code.

Mr Kemp, who decided ear-lier this year not to seek the Republican presidential nomination, has a supply-side repu-tation antedating most of the current generation of tax reformers. When in Congress, ha was a sponsor of the Kemp-Roth hill that was something of a guide for the tax reduction legislation of President Ronald

Reagan's first term.

week for more immediate Republican tax-cutting plans specifically the fate of the \$189bn (£116bn) package promised in the Republican Contract with America and due to be voted on in the House of Representatives later this

In a series of weekend interviews the Speaker said it was important that the tax package be voted on so as to fulfil the Contract promise, hut con-ceded that compromises might be necessary to satisfy Republicans who want to give greater priority to balancing the federal hudget.

He told the Wall Street Journal that he was willing to make tax cuts contingent on passage later this summer of a detailed plan to halance the budget hy 2002. Mr Gingrich has already

challenged President Bill Clinton to present his own sevenyear hudget plan hefore he leaves for Moscow in the secdent could veto any budget hill hut warned that if he did so he was prepared to retaliate by hlocking legislation raising the federal deht ceiling.

There is an outside chance that the tax hill will not come to a floor vote this week hecause of the objections of some Republicans that its centrepiece, the proposed \$500-perchild tax credit, is too expensive and too biased to henefit the rich. Mr Gingrich admitted "we're still arguing" about the details.

In any event, changes are certain to be made when the bill reaches the Senate, where Senator Robert Packwood, the finance committee chairman, rarely lets a day go by without poking holes in the Contract

The tax credit, he said over the weekend, was "prohably the worst way to go to improve our economy". He also found it hard to believe you could do \$180-190hn in tax cuts and bal-



Purchase data confirm signs of slowdown

By Michael Prowse in Washington

A sharp drop in the US purchasing managers' index last month and weak spending data for Fehruary were yesterday seen as confirming earlier figures pointing to a deceleration of economic growth in the first quarter.

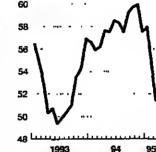
The purchasing index - a widely followed guide to conditions in manufacturing industry - fell to 51.4 per ceot against 54.5 per cent in February. Most economists had expected a smaller decline - to about 53.5 per cent. The index. however, remained above the 50 per cent level that marks the threshold for an expanding manufacturing sector.

in a separate report the Commerce Department sald personal incomes rose 0.5 per cent between January and Febru-ary, slightly more than economists expected. However, it revised down figures for January to show a gain of 0.7 per cent rather than the 0.9 per cent previously reported.

The report confirmed previous signs of a hall in consumer Personai consun tion rose only 0.1 per cent in Fehruary, the smallest gain since April last year. After allowing for inflation spending was down 0.1 per cent. However, data for January were revised up to show a gain of 0.7 per cent rather than 0.4 per

ceot as previously reported.
"The manufacturing sector's growth rate in March continued the declining trend which began in December," said Mr Ralph Kauffman, a senior executive at the purchasing managers' association. "The rates of increase of production, new orders and prices paid hy manufacturers were all substantially less in March than in Fehruary," he said.

The weak indicators help to



Source: Datastream

raise short-term interest rates, currently 6 per cent, despite the dollar's weakness. Fed officlals believe the economy is already decelerating in response to a three percentage point increase in rates in the year to February.

Many economists now predict economic growth at an annual rate of 2.5 per cent or less in the first quarter, against a revised annualised rate of 5.1 in the final period of last year. But economists disagree on whether the slowcasters, such as JP Morgan, the Manhattan hank, and the Conference Board, a New York husiness analysis group, predict a rebound in growth in the second half towards the 4 per cent registered last year.

Yesterday's data, however threw little light on growth prospects. The production indices are usually lagging rather than leading indicators. The fall in the purchasing managers' index last month was probably a lagged response to weaker consumer and husiness demand in preceding months. Recent data, such as the weekly Johnson Redbook retail survey, point tentatively to revived consumer spending in March, if spending rehounds, explain why the Federal the dip in manufacturing Reserve last week opted not to growth could be short-lived.

Nuclear wastes clean-up will cost at least \$230bn

By Nancy Dunne

The US will have to spend at least \$230hn over the next few decades to clean up the nuclear wastes created by the arms race and future production of nuclear weapons, an Energy Department report released yesterday, said. If wastes and inefficiencies

are not eliminated, costs could soar to \$350bn for the clean-up of industrial facilities used for the research, production and testing of nuclear weapons. Estimating the Cold War Mortgage is the first of a series of reports due out over the next few months as the Energy Department struggles to measure accurately the task ahead. The agency manages thou-sands of industrial structures,

ouclear reactors, chemical pro-

cessing huildings, metal mach-ining plants, on 2.3m acres of

Most of the clean-up costs were deferred during the Cold War. Now the US will have to devote "substantial resources comparable to the level of

effort expended for nuclear weapons production and research activities."

Even this will not return the land to its natural state. The remaining contamination from huried wastes will require a cordoning off of a number of sites. Of the 10,500 hazardous substance sites addressed in the report, one-fourth have been fully analysed.

"But major uncertainty stems from a lack of knowledge about what remedies will he effective or considered acceptable to regulators and the public, or what level of human health and environmental protection is sought through these remedies," the

Mr Thomas Grumhly, a senior Energy Department offi-cial, said the \$230bn estimate could he stretched over 75 years, including \$149bn to deal with the Cold War legacy. \$51bn for future wastes from nuclear weapons activities, and \$30hn for past and future wastes from other research and commercial activities.

future use of the land and facilities will largely determine if the cost is higher or lower. This estimate is a reasonable projection, given current tech-nologies to stabilise hut not completely scruh sites in 'green fields' status, not technically feasible in many cases."

Scientists still must grapple with the unknowns posed hy the clean-up. There is, for example, "substantial uncer-tainty" about the longer-term effect of capping as a permanent solution to contamina-The Hanford reservation in

the state of Washington, for

example, has dozens of huried tanks containing mixtures of radioactive and toxic materials. Scientists are still strug-gling to stabilise them. Hanford also has nine closed reactors and decaying fuel rods

which threaten to dump radiation into a nearby river. The Administration has set

up a funding target of \$4.8hn a year in constant 1995 dollars until fiscal year 2000. But Congress may reduce this to cope

INTER-AMERICAN DEVELOPMENT BANK

Guarantees likely for private sector loans

The Inter-American Development Bank is expected to be given the go-ahead soon to provide guarantees to borrow-ers from the private sector in Latin America

The bank, which holds its annual meeting in Jerusalem tomorrow, has rarely used its powers to provida guarantees in its 40-year history, but now its management believes circumstances may warrant a more flexible approach than offered hy traditional loan finance. The bank's board will be asked to approve a proposal on guarantees within the next

Ms Nancy Birdsall, the hank's executive vice-presi-dent, said the guarantees may

be provided either with or without a counter-guarantee from borrowing country governments. The aim would be to cover political hut not commercial risks. For exampla, if might be appropriate to seek a government's counter-guarantee in case of a change in a government'e regulatory policy that would jeopardise viability

of a power station project. For private sector guaran-

tees the aim would be to cover no more than 25 per cent of an operation except in special circumstances, and no more than \$70m (£43.7m). Capital would be set aside equivalent to that size of the guarantees and private sector guarantees would come out of the \$350m a year the bank is able to provide direct to the private sector.

\$40hn agreed last year, the bank is able to provide \$7hn a year in finance.

The capital increase brought the bank's capital to \$100bn. making it the largest of the regional development banks According to the bank's annual report, published today, the bank's lending fell to \$5.3bn in 1994 from \$6.0bn in 1993. The fail was attributed to the change in bank priorities that accompanied the capital increase. Ms Birdsall said 1995 lending would probably rise to

between \$6bn and \$6.5bn. Mr Charles Sethness, the bank's finance manager, said the bank's borrowing in international capital markets would rise to between \$3bn and \$4bn this year, from \$955m in 1994.

America

The flow of capital into Latin America shrunk by more than a third from an estimated \$64bn (£40bn) in 1993 to \$42bn last year, the Inter-American Development Bank says today. in its annual report, the bank says the main cause of the shrinkage was the sharp decline in flows to Mexico, which fell to \$9bn last year from about \$32bn in 1993.

Veneznela also suffered a large outflow - of \$3.6bn compared to a \$1.8hn inflow in 1993. Other countries experienced rising inflows: \$36.9hn last year against \$30.6hn in

The region's gross domestic product grew hy 4.1 per cent last year, the highest growth rate since 1986 and compared with 3.4 per cent in 1993. Investment growth at 7.7 per cent exceeded consumption growth of about 3.9 per cent. Growth rates were not enough to lead to a reduction in unemployment, though unemployment increases were not large, except in Venezuela, where the rate rose to 13.5 per cent of the workforce from about 7 per

The region's current acc deficit was around \$49bn last year, similar to 1993, the equivalent of about 4 per cent of gross domestic product. However, the deficit exceeded 5 per cent in almost half the countries of the regim. The report said Latin America's exports grew by 4.1 per cent in volume and by 9 per cent in US dollar terms. Imports and interest payments on debt also

The bank said Mexico's financial crisis illustrated "the complications for macroeconomic policy generated hy large, volatile capital flows". In Mexico, the anthurities, faced with a weak economy, were unwilling to raise interest rates in the amount that would have ended the loss of [fnreign exchange] reserves."

Decline in Tequila hangover capital for brings gloom to IADB meeting

By Stephen Fidler



gathering in years of Latin American financiers formally gets under way today. The offi-

cial husiness at the Inter-American Development Bank's annual meeting, being held in Jerusalem this year, is expected mostly to be uncontroversial. But the government officials, bankers and investors attending the meeting are obsessed with one thing: the financial crisis in Mexico and the fall-out for the rest of the region.

Many still appear dazed by the speed and ferocity of the crisis, which has dramatically slowed capital inflows to the region. Its genesis, many agreed, was unlike the traditional shocks to which Latin American economies have been periodically subjected. when the effects of a fall in commodity prices or a rise in energy prices were easy to see. Mr Ricardo Hausmann, the chief economist of the IADB,

told a conference yesterday up on the government in a way "both less ohvious and less transparent than the old shocks to the current account". The symptoms of this new hrand of crisis were felt through pressure on the exchange rate, higher interest rates and falling international reserves, but it was not clear whether its roots were international or domestic

Mr Enrique Iglesias, the bank's president, pointed out that it is no longer sufficient to get an International Monetary Fund standhy loan and telephone a sympathetic banker in New York to get finance. As Mr David Mulford, chairman of CS First Boston and a former US Treasury official, emphasised, capital is now provided by thousands of individuals making investment decisions. No longer, as in 1982, can a relatively small group of com-mercial hanks he forced through self-interest to cough

up support. Thus, not only may it be unclear when a country is entering crists, it is also more difficult, once started, to resolve. Asked yesterday to draw some preliminary lessons from the Mexican crisis, undersecretary for international affairs at the US Treasury, Mr Lawrence Summers, was will-ing to draw a few conclusions. The first issue he addressed

were some clues about spotting a crisis on the horizon. Mr Summers's first suggestion was not to assume that large current account deficits caused largely hy the private sector were always benign. If a country had no hudget deficit, there might still be cause for worry - although it might be able to reat easier if the capital

inflows were heading for investment, easier still if the The gloomiest investment was in the tradeahle goods sector.

The next question to examine was, he suggested, on what terms the finance would he made available and how those terms were changing over time. The conclusion was a government might start to worry when it was heing forced hy investors to shorten maturities or to switch from paper denominated in local currency into that denominated in foreign currency. A switch into deht instruments from equity was another potential warning sign.

Then, it was important not to have too large a current account deficit to finance. If more than 5 per cent of gross domestic product needs to be financed (Mexico's deficit was nearly 8 per cent), only phe-nomenal economic growth would prevent a debt build-up. The next issue Mr Summers addressed was how countries should respond to such a crisis. The answer, in summary, was conservatively and rapidly. From a policy perspective, it would be better to assume that capital inflows were temporary than the other way round. That would mean, among other things, that central hanks should think hard hefore expanding domestic credit to offset the contractionary effects of capital outflows.

Turning to the international response to such a crisis, Mr Summers said he was convinced there was a role for a lender of last resort in the international arena to deal with extreme problems of liquidity.

e said there were genuine concerns about undesirable lncentives. "It's right to worry about moral hazard hut I don't side with those who helieve that the fire department shouldn't exist hecause it encourages people tn smoke in bed."

The international financial institutions also had an important role in encouraging financlal and economic transparency, which he defined as "the timely and frequent publication of comprehensive data oo national accounts, monetary figures and central bank bal ance sheets". The tools and means of surveillance of economies by the institutions should be improved.

The questions generated

much consensus. Not surprisingly, perhaps at a meeting of its type, there was little appe-tite expressed for overturning the broad economic model of open trade and market oriented economies that governments have espoused in the region in recent years. However, no consensus could be found on two issues: the right exchange rate regime to avoid such crises and the need for short-term capital controls



IADB's Iglesias: Mexico crisis obsessing financiers

"What we found was that the Mexico enables banks to

By Leslie Crawford in Mexico City

Mexico yesterday introduced a new financial instrument, Units of Investment (UDIs), to allow domestic banks to refin-ance more than \$11hn of corporate dehts which have fallen into arrears through a four-fold increase in nominal interest rates since devaluation of the

peso in December. Loans restructured in UDIs will index deht principal to already burdened with an

inal interest charges. In addition to the loan

refinance corporate debt loans. Bankers say they plan to

inflation and carry real interest rates of up to 12 per cent. against nominal interest charges of more than 90 per cent at present. The reduction in interest charges is aimed at diminishing the risk of mas-sive loan defaults, which had begun to jeopardise the solvency of commercial banks. The hanking sector was

uncomfortable number of bad dehts - 7.33 per cent of its total loan portfolio - before the col-lapse of the Mexican currency plunged the economy into recession. The new instrument will initially allow commercial banks to remove some 76hn pesos (\$11.2hn) of problem loans - 16.4 per cent of total lending to the corporate sector - from their balance sheets.

Commercial hanks will set up off-balance trusts to administer the UDI-denominated extend the scheme to refinance some 32.6bn pesos of mortgages, as they are aware that home owners cannot afford to meet the dramatic rise in nom-

restructuring scheme, the Bank of Mexico, the central hank, is also keeping the banking system afloat with hig capital infusions from the government's Bank Savings Protection Fund. Seven finan-cial groups. including Serfin. Mexico's third largest bank, on Friday reported difficulties in meeting the minimum 8 per cent capital adequacy ratio set hy the bank.

HEACTH STUDIES

ELONOMICA AND BUSINESS MANAGEMENT ATLIBUTA

TINE ARTY & DESIGN

INFORMATION AND COMMUNICATION TECHNOLOGIES AND STI DIES

BAME MAENCES



THE BRAIN CENTRE.

STUDIES IN

HISPANIC STUDIES

ARI. HITECTURE AND CIVIL ENGINEERING

NVIRONMENTAL INDUSTRIAL TECHNOLOGIES

BARCELONA.

Barcelona

The

University Centre

of Southern Europe.

Barcelona hoses some 4,000 foreign students last year and ranks as one of the European cities with the greatest number of ERASMUS participants. It's not surprising. Barcelona hosts one of the largest university communities in Europe, made

of 170,000 students and 8,500 professors in five

universities that offer some 150 degree programmes. In its 500 years of university life. Barcelona has comitted itself to quality, with a tradition, a temperament and a diversity all its own. Barcelona has a special rouch of genius, great creativity, an innovative drive, enterprising spirit and an enormous work capacity. If you are considering undergraduate or graduate studies abroad don't hesitate. Barcelona is the right place for you. For more information, please call the Barcelona University Centre. Tel: 34 - 3 - 402.72.24

More Iban Ever

THESDAY APRIL 4 104

bend is able to provide to The topical increes to bank's capital is to regional de elongen According to the hark to make a pour published told to the hark to the hard to the hark to the hark to the hard to trom sambe in its The Committee complete in the second secompanies the companies of the compani

Det 8 10 5 5 250 86 56 Mr Charles Seibnbeath's Targe many the bank's transition THE ROLL CONTRACTOR rise to believe some this year from some

hangove doom to neeting »

inflows were the investment of the Interinent: ... able goods server. THE REAL PROPERTY. terms the france to bigde er at in in art in THE RESERVE Bavertant Tall 1 - 1 - 1 - L descent his a manage

that state of the A STATE OF THE STA

100 at ... 12.00

P13.

BANK

WIO chief warns over meddling

By Guy de Jonquières, Business Editor

Mr Peter Sutherland, outgoing director-general of the World Trade Organisation, yesterday warned members that they would jeopardise the body's impartiality and effectiveness if they meddled too much in the conduct of its internal

"The risk is. . that member states may attempt to micro-manage the organisation, in areas like appointments or the internal allocation of resources," Mr Sutherland told businessmen in Ottawa,

"Such a trend would have dangerous consequences for the integrity and impartiality

which are absolutely essential to the WTO's credibility and effectiveness," he said. The sec-retariat of the General Agreement on Tariffs and Trade, the WTO's predecessor, had earned a strong reputation on this score, and it would be "tragic"

if it were damaged.

Mr Sutherland, who is due to step down at the end of this month, did not spell out any specific instances of excessive intervention by governments in the operation of the WTO since it was established at the start of the year.

However, the US angered many other governments last month when it offered the post of WTO deputy-director general to Mr Kim Chul-su, who lost to Mr Renato Ruggiero of Italy in the politically charged contest to head the organisa-

Washington's decision, taken without international consulta-

tion, has required the WTO to create an additional deputy position for Mr Kim. African countries have complained that theirs is the only continent not to be represented at the top of the organisation.

Mr Sutherland renewed his campaign yesterday to per-suade WTO members to increase the organisation's budget. This has been set at SFr105m (\$93m) for the current year, well below Mr Suther-

land's requested figure. The WTO should remain lean and cost-effective, he said. "But members should be wary of confusing leanness with starvation. Government leaders would surely not want the vision they showed in setting up the organisation under-mined by short-sightedness at the budgetary level."

He called on members of regional trade groupings to ensure they reinforced the multilateral system by strictly observing WTO rules and launching bold new initiatives in the organisation to eliminate barriers to global trade. He also buttressed the WTO's claim to play a central

role in drafting new rules for international investment, saying the question was when, not whether, the organisation would start work in this area. Negotiations on investment rules in the Organisation for Economic Co-operation and Development are expected to receive the go-ahead next month. The US and some other industrialised governments believe progresa can be achieved faster in the OECD than in the WTO.

WORLD TRADE NEWS DIGEST

Ruling on Japan drinks tax urged

Sir Leon Brittan, the EU's chief trade negotiator, yesterday said he would press for a World Trade Organisation ruling on Japanese liquor taxes on the grounds that they discriminate

Against Furopeen spirits: Japan was instructed by the General Agreement on Tariffs and Trade in 1987 to remove all tax differentials in the spirits against Europeans.

Sir Leon said he would consult member states about taking the case to the WTO. The EU had pressed Japan to make the necessary changes to meet its Gatt obligations, he said, but added that Thave concluded with regret that we are unlikely to be able to resolve our differences within a reasonable time

This would be the first disputes panel settlement sought by the EU under the WPO: A panel is set up only after an initial consultation period has failed to settle a dispute.

Although the Japanese government had accepted the Gatt findings, the changes have only been partially implemented, a Commission official said. Whisky and brandy were taxed four to six times more than the local Japanese brew, shochu, while other spirits such as vodka, gin and rum were taxed two to

three times higher.

Gait ruled that "like" products such as vodka and shochu should be taxed identically, while all distilled liquors should be taxed similarly so as not to "afford protection to domestic production": European products affected include whisky from Britain and Ireland, Spanish brandy, French cognac and Swedish and Finnish vodka. Caroline Southey, Brussels

Japan car quotas raised

The EU and Japan have agreed e 1.7 per cent increase in Japanese car and light commercial vehicle exports during 1995. The increase is mainly due to the EU's enlargement since the accession of Austria, Finland and Sweden at the beginning of the year. The three new members are included in the new quota of 1.1m vehicles.

Japanese car exports to the EU fell short of the 993,000 quots set in 1994, reaching only 818,000 during the year. On present predictions the Commission does not expect Tokyo to use up the full 1996 quota. The three new members join the EU's list of non-restricted markets. Under a 1991 agreement a transifional period, due to end in 1999, was agreed for five EU member states which had previously restricted Japanes

The quotas have been set on the assumption that demand in the 15 EU member states will rise by 4.3 per cent to 13.3m this year compared with 1994. The figures will be reviewed in September. Caroline Southey, Brussels

Contracts and ventures

American engineering company Brown & Root has won an anterworth \$400m.\$500m to build an ethylene plant in Knwait. The company is due to sign the contract for engineering. procurement and construction of the plant in mid-April with quate, a joint venture between Kuwait's Petrochemical Industries and America's Union Carbide. The 650,000 tonne a year ethylene plant is due for construction by August 1997. It is part of a petrochemical complex Equate is building south of Kowait City. America's Fluor Daniel is overall project manager for the estimated \$2.0bn complex, which will be the emirate's first mainstream petrochemicals facility and contain the Gulf's largest polyethylene and ethylene giycol plants. Renter, Kunyari

Ford of the US plans to invest \$50m to expand its car and Frick assembly operations in Venezuela over the next three rears. The investments aim to increase capacity for exporting rehitles to other countries in the Andean region, notably Columbia and Ecuador. Joseph Morm, Caracas

MAC Alenia Marcom Communications, a British-italian radio communications joint venture, has signed a \$68m contract with Kominest, the Russian oil company, to supply sidio surveillance and control systems and equipment for the ment of oil wells, pipelines and crude oil treatment plants in the autonomous Russian republic of Komi

The contract, which includes a subcontract with Hewlett Packard's Italian operation, will be carried out over three years with OTE, a subsidiary of MAC, as prime contractor.

MAC is a joint venture between subsidiaries of Finmecranica, the Italian state controlled engineering company, and GEC of the UK. Andrew Hill, Milan

Crowded road leads to Vietnam car market

But six foreign vehicle makers want to join those already there, reports Our Hanoi Correspondent

ting the cart before the A horse, as many as six foreign car and truck makers are hoping to assemble cars and trucks in Vietnam.

But much of the country's road network remains in tatters, the result of war damage and poor upkeep. In the two main cities, Hanoi and Ho Chi Minh City, taxis fight a constant battle for road space with waves of bicycles and motor

And four existing foreign vehicle projects, licensed in the early 1990s before Hanci had formulated a clear policy for the industry, scrape by on modest sales of trucka and four-wheel-drives, mainly to Vietnam-based foreign compa-

Yet Ford and Chrysler of the US, Daimler-Benz of Germany, Toyota and Suzuki of Japan and a consortium of Indonesian and Japanese interests have applied to the government for permission to set up plants, representing a total investment of almost \$600m.

Vietnam's Ministry of Heavy Industry (MOHI), subsidiaries of which have signed joint-venture agreements with some of the foreign companies, says June. It estimates total vehicle

In what may seem like put-demand by 2000 at 60,000 annu-

The attraction of Vietnam is two-fold. With economic growth expected to average between eight and 10 per cent a year until the year 2000, the vehicle makers and the Vietnamese government helieve incomes will be high enough to justify making and selling cars

and trucks locally, at first in

Ho Chi Minh City in the south.

market is at the moment and

"That's where the larger

for the next few years to come," says Dr Sieghard Ebner, regional manager for Mercedes-Benz, based in the capital Hanoi. Mercedes-Benz's parent company, Daimler-Benz, plans one plant in the north and one in the south, representing a total investment of \$70m and focusing on the assembly of trucks and vans. It sees demand for commercial vehicles reaching 11,000 by 2005 and aims to be selling between 500 and 600 of its luxury saloon cars in Vietnam by

The company has elready established a dealership in Ho Chi Minh City, where it sold its first car to a Vietnamese busi-nessman in July last year.

Ultimately, the vehicle makers also hope to be eble to export some of what they pro-

duce to other countries, in particular to members of the Association of South-east Asian Nations (Asean), which Vietnam joins in July.

"I think there's also a great opportunity for export here," says Mr Vance Peacock, director of Vletnam operations for Chrysler, which plans to invest \$199m in making Jeep fourwheel-drive vehicles, light trucks and e version of its Neon saloon. "We realise that you can't wait to enter e market until it's fully developed.

It's too expensive. Toyota, which has the larger share of the imported car market and whose Crown model has virtually replaced the Soviet-made Volga as government officials' preferred means of transport, plans to assemble 20,000 cars, minibuses and vans annually. However, like its rivals, Toyota faces tough government terms requiring foreign companies to ensure that 30 per cent of vehicle parts are made locally within six to 10 years.

Industry experts say the policy is clearly designed to weed out companies that are not deemed serious about technology transfer. The policy emerged about six months ago, when it also became clear that Hanoi would not necessarily Vietnam's vehicle industry: now and proposed

Namo	Grigin of lovestons	Vehicle type	lovestmen
JVM Co	Melaysia, Japan	Minibuses	\$50.01
Mekong	Japan South Koma	Four-wheel drives, trucks, buses	\$39.5m
Vietnam Motor Corp		Four-seaters, light trucks, butes, minibuses	\$33.2n
Daewoo Vietnam	South Korea	Sedan cars, four-wheel drives, trucks, buses	\$32.21
Manufactu	rers planning	vectures	٠, ٠
Chrysler Vietnem	us	Light trucks, Jeeps, cars	\$199.00
Toyota Vietnem	Japan	Cara, vans, minibuses	\$175.0m
Ford Vietnem	us	Cars, four-wheel drives, . minibuses, trucks	\$102.0m
Mercedes-Benz Vietnam	Germany	Cars, buses, trucks	\$70.0m
VINDACO	Indonesia, Japan	Trucks	\$32.0m
Suzuki Vietnam	Japan .	Trucks, vans	\$20.9m
 			

limit licences to e strategic balance among two Jepanese, one US and one European company, a strategy which the for-eign manufacturers had previously taken to be the government's line.

Most foreign manufacturers agree that policy has shifted

simply because Vietnamese policy makers have made the effort to learn as much about the industry as possible. The move has won Hanoi a degree of respect among foreign companies. "Three or four years

ego they were babes in the

woods as regards what could

hence the early licences," says Mr Greig Craft, a Hanoi-based consultant who handles Ford's interests in Vietnam. "I don't think they are as driven by political considerations as they were. They are very open and

co-operative." However, the decision on localisation has unsettled the foreign manufacturers. Making local parts is likely to be tough in a country where even the indigenous hicycle industry has difficulty surviving with outmoded technology. The foreign makers say they are therefore working hard on convincing their parts suppliers to

follow them to Vietnam. "Obviously they want to protect the bome-grown industry and I think that's justifiable. Are the numbers realistic? That remains to be seen," says Mr Craft.

But perhaps more worrying is a decision by Hanoi in March to reinstate imports of second-hand vehicles, which the MOHI official saya is designed to meet current demand. He adds that the government will adjust the policy annually; but without a cast-iron guarantee that second-hand imports will eventually be banned, foreign companies are still nervous.

"If a manufacturer starts assembling cars here, it will be a disaster if he's competing with his own models," says one industry expert.

We fly to the Far East from more European cities than any other airline.



From 13 cities in Europe, we offer a total of 42 flights to Singapore every week, more than any other airline. Always on board our exclusive

MEGATOP 747s. At Singapore's world famous Changi Airport you can connect to over 400 weekly flights throughout the Far East,

Australia and New Zealand. En route you'll enjoy a level of inflight service even other airlines talk about. SINGAPORE AIRLINES



Nikkei index's latest fall could block fragile recovery, business lobbies warn government

Japan pressed to bolster stock market

Tokyo vesterday came under pressure from business and the political opposition to bolster the stock markst and do more to try to turn back the yen's

Business lobbies warned that the fragile recovery could be nipped in the hud by the Nik-kei index's latest fall. Yesterday it slid 758.66 points or 4.7 per cant to 15,381.29, a 32month low, on fears the yen's renewed strength would erode the earnings of Japan's exportdependent manufacturers.

At this level, the Nikkei has fallen 22 per cent since the start of the calendar year, a shock to the balance sheets of banks which carry some of their capital in equities, and to

which rely on equity sales to pad their earnings. Mr Shoichiro Toyoda, chairman of the Keidanren economic federation, warned that the economy was "now in a very severe situation".

Call to bring forward public works spending

He called on the government to speed its economic deregulation programme announced last week, which was widely criticised for being ineffective, and to bring forward spending in a Y630,000bn (£4.4bn) 10-year public works programme started this year, in an attempt

to stimulate domestic demand He repeated calls to the Bank of Japan to cut the official discount rate to take pressure off the yen. Despite the first dol-lar-buying intervention in Tokyo in six years by the US Federal Reserve, the dollar fell from Y88.37 at Friday's Tokyo

close to Y86.5 yesterday.
At that level, the yen has appreciated 15 per cent since the start of the year, the maximum of the year, the y mum Japanese companies can cope with, claimed Mr Tomio Putsumi, vice-minister of inter-

national trade and industry.
The Japanese central bank revealed yesterday that its foreign reserves rose by a record \$15.58bn (£9.7bn) in March, most of which was spent buy-ing the US currency in a futile attempt to reverse its decline. During the month, the yen

appreciated 8 per cent against the dollar, saddling the bank with an enormous foreign exchange loss. By the end of March, the Bank of Japan's reserves stood at \$141.52bn, a

The bank is reluctant to con-

sider a cut in the official discount rate, at which it lends to the banking system, until it sees the impact of the reduction it announced last week in overnight money market rates. Mr Masaru Hayamai, a for-mer Bank of Japan executive director who is now chairman of the Keizai Doyukai executives' association, warned yesterday that the currency crisis was beyond the central bank's control it was a consequence of Japan's high current account surplus and the US

hudget deficit, he argued.



Shoichiro Toyoda: urged discount rate cut to ease pressure on yea

Spiralling yen proves a double-edged sword

Japan's neighbours may endure monetary stringency before reaping benefits, writes Peter Montagnon

Il other things being equal, most governments in Asia ought to be delighted by the way their currencies have performed this

in the backwash of the dollar's slide against the yen, other Asian countries have also seen their currencles weaken sharply against the Japanese unit, increasing their export competitiveness and adding to their ability to attract foreign investment.

An ohvious beneficiary is South Korea, which competes head-on with Japan in products from semiconductors to cars. It reaps a great hoost from the won's depreciation of about 10 per cent against the ven this year.

Whereas periods of yen strength have proved a more widespread boon in the past, this time the currency's gyrations are proving double-edged. The turbulent capital flows which provoked the flight from the dollar are also responsible for investor mistrust of emerging financial markets in the wake of the Mexican crisis.

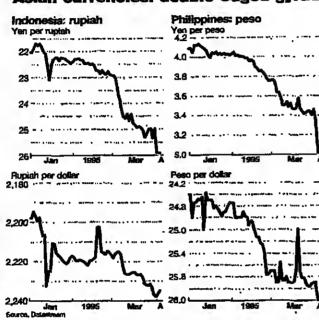
This has added to pressure on many Aslan countries, including Thailand, Indonesia and the Philippines, to raise their interest rates, especially since economies around the region are aiready showing signs of overheating.

Many economists believe the short-term impact of the currency upheaval could be painful. Only later will the benefits in the form of growth spurred by higher exports and foreign investment show through.

Two other factors cloud the picture. One is the fear that Japanese foreign investment may grow more slowly in the wake of the Kobe earthquake. The other is the increased cost to many Asian countries of servicing foreign deht denomi-

UNITED STATES

Asian currencies: double-edged gyrations



nated in yen. "We have seen quite a big rise in Japanese investment in 1994. I'm not sure 1995 will be quite as hoge. The earthquake has been a hig shock and some companies are not that financially healthy at the moment," says Mr Tapan Datta, a senior economist at American Express Bank.

Other economists are more sanguine, believing not only that Japanese companies will need to import more compocompensate for supplies disrupted by the earthquake, but that the trend to move production facilities abroad will continue.

"Approvals of foreign direct investment are bouncing back up, especially in Thailand, after several years of downturn," says one Hong Kong-based economist. "We are expecting that to translate into greater investment this year." Anecdotal evidence suggests Japanese investment is not only growing, but involves increasingly sophisticated

technology.
Toshiba and Honda have both announced large programmes in Thailand in recent months. Hitachi plans to make computer disk drives in the Philippines. It cites the availability of well educated enginents from the rest of Asia to neers and managers there, as an attraction which that country is now able to exploit.

The proportion of Japanese company outpot produced abroad is still lower than that of European or US companies." says Mr Manu Bhaskaran of Crosby Securities in Singapore. That makes for a growth trend in foreign investment." The majority assumption is that pressure on Japanese companies to relocate production shroad will become acute, with the yen at its present level. Even countries with more vulnerable economies such as Indonesia and the Philippines According to Croshy's Mr

als by Indonesia have been running at an even faster rate this year than last when they totalled \$24.4bn (£15.2bn). Only a fraction of that will need to be turned into hard cash to meet the extra servicing requirements on the yen

Bhaskaran, investment approv-

portion of indonesia's foreign debt, which constitutes some 40 per cent of the \$90hn total The size of Asia's yen deht has made some investors nervous. According to Baring Securities it amounts to more

GERMANY

levels is also quite limited. There are some notable exceptions: for example, the cost of producing Malaysia's Proton car has risen sharply because of its high level of Japthan 20 per cent of Indonesia's anese inputs. But over the past

gross domestic product. The

Philippine ratio is 17 per cent of GDP and that of Thailand 10

But most of the deht is gov-

ernment-to-government credit

dised interest rates so that the

annual servicing costs remain

manageable despite the yen's

is the tendency for Asian econ-

omies to overheat amid wor-

impact on the balance of pay-

Yet the direct impact of the

stronger ven on Asian price

ments of surging imports.

A more immediate problem

with long maturities and subsi-

per cent.

appreciation.

Thailand: beht

year or so, weather induced rises in food prices have had a far greater impact on national umer price indices in Asia. consumer price indices in Asia.
These show signs of decelerating, which should help offset the higher cost in local currencies of Japanese imports.

The snag is that, after Mexico, financial markets have become obsessed with picking on weakness.

The Thai baht came under pressure earlier this year as markets began to worry about the extent of the country's current account balance of payments deficit and the degree to which it has been financed. with short-term debt. Late last month, the Thai central bank moved to discourage foreign currency borrowing hy residents to help cool the econ-

Similarly, Malaysia has had to deflect anxiety about its balance of payments deficit, which widened to 6.6 per cent of GDP last year from 4.1 per

The Philippines has had to raise interest rates to stem pressure on its currency, which is widely regarded as having appreciated too far last

It is hard for these countries to follow Singapore's example and allow their currencies to appreciate against the dollar to. curb inflation.

But if the opposite happens and their currencies fall against an already weak dollar, ries about inflation and the the risk of an inflationary spiral increases. Several countries period of monetary stringency before the region feels the beneficial effects of the stronger

> "I don't think confidence has been re-established yet," says Mr Datta. People need to know how high interest rates will have to go.

Aum sect claims it was framed by another group

enior official of Aum Shinri Kyo, the Japanese Buddhist sect whose activities have been investigated by police following last month's nerve gas attack on the Tokyo subway, yesterday alleged that the sect had been framed by another

religious group Mr Fumihiro Joyu, spokes-man for the sect, accused Soka Gakkai, a large Buddhist sect with strong links to Shinshinto, the main opposition party, of being behind the nerve gas incident which killed 1) people, and the shooting of the head of police, last week. Soka Gakkai, which has sev-

eral million members and is generally regarded in Japan as a respectable organisation, promptly denied the allegations as ludicrous. Yesterday's statements fol-low the discovery in Aum

Shinri Kyo's headquarters of more than 650 drums containing chemicals including sodium fluoride, phosphorus trichloride and isopropanol, which authorities said could be used to produce as much as 5.6 tonnes of sarin, the substance believed to have been used in the subway attack.

A concealed chemical pro-

covered at the headquarters, in Kamikuishiki at the foot of Mount Fujl, in a huilding which the sect had initially claimed was an altar to Shiva the Hindu god.

The group's sinister image has been reinforced by claims which have recently filled the Japanese press from former members saying they had been

detained and maltreated. Mr Joyu said yesterday that more traditional religious groups resented Aum's success m attracting young and intelligent believers, and were trying to incriminate the group by making it look as though it had committed the recent crimes. It has previously alleged that the US army and Japanese police were trying to eliminate the sect.

The National Police Agency said it had sent two officials to the US to exchange information with the Federal Bureau of Investigation over the sect's

activities in America. This follows last week's dispatch of officials to Russia and Germany to investigate the group's operations in these countries. Two police agency members vesterday met counterparts at the interior minis-

ASIA-PACIFIC NEWS DIGEST

Singapore fears maids' exodus

Employment agencies in Singapore have asked Sri Lankan companies to recruit thousands of housemaids in anticipation of an exodus of Philippines maids, following the execution last month of Ms Flor Contemplacion, found guilty of murder. . The girls are leaving Singapore so fast we have been asked to offer up to \$\$250 (£108) a month, about six months' pay for an ayah in Colombo," the manager of one Sri-Lankan foreign employment company said.

President Fidel Ramos yesterday called a special session of congress for next month, to consider proposals for improving conditions of overseas workers. The hanging of Ms

Ms Contemplacion's daughter Russel yesterday told a presidential commission investigating the case that her nother had claimed she was tortured and drugged into admitting the crime. On Sunday, the Singapore government said it was prepared to accept a proposal from Manila for an independent review of post mortem results on one of the two murder victims. Mervyn de Silva, Colombo and AP, Manila

S Korea industry output up

South Korea's industrial output rose 19.3 per cent in Fahruary compared with a year earlier, after rising 8.9 per cent in January, provisional National Statistical Office figures. showed. The February jump was due partly to a larger number of working days. "Production last February was affected greatly by the lunar new year bolidays, but this year the holidays fell in January," an NSO official said. Output fell 1.6 per cent in February from January.

The country's top 30 conglomerates plan to boost total investments in plant and equipment this year to Won35,400bn (£28.4bn), a 47 per cent annual increase, according to Samsung. the top business grouping. Samsung would invest about Won7,000bn. Reuter and AFP, Seoul

■ South Korean construction companies won foreign orders worth \$922m (£576m) in the first quarter of this year, against \$1.23hn in the same period of 1994, the Overseas Construction Association of Korea said. Orders from south-east Asia accounted for \$693m. Reuter, Seoul

Greenpeace tracks nuclear ship

A cargo ship carrying reprocessed nuclear waste from France to Japan has sailed through the South Pacific, the environmental group Greenpeace said yesterday. The British-flagged Pacific Pintail, carrying 14 tonnes of radioactive waste, was located some 620 miles off the French territory of the Marquesas. Greenpeace has been tracking the ship with its vessel Solo since the Pacific Pintail left Europe last month, aiming to arrive in Japan later this month. The Pintail's route was not disclosed in spite of requests by several South Pacific and East Asian nations. AFP, Tokyo

Solomons logging go-ahead

People living on a forest-covered Pacific island are to be resettled against their wishes so a logging company can clear the land of timber, a Solomon Islands government statement said. Residents of Pavuvu Island, 31 miles from Honiara, the capital, have said they will hurn any logging equipment taken to their island. Last month, Mr Nelson Ratu, the anti-logging premier, lost his post to Mr Peter Manetiua; last week, logging was given the go-ahead.

A ministry note said the islands' Mavin Brothers logging company had been given the right to cut 885,000 cu metres of timber, valued at £83m. Mavin would be required to resettle the islanders by huilding new villages, roads and schools.

Several thousand people live on Pavuvu. AFP, Honiara

Taipei spurns Hanoi protest

Taiwan yesterday rebuffed a Vietnamese protest about its conduct in the disputed Spratty Islands and reasserted its claim to sovereignty there. But it sought to calm tension by calling off a marine police mission to the islands.

Taipei said Vietnam, which has territorial claims in the Spratlys, lodged the protest over structures Taiwan has built on an islet near the Spratly island of Taiping Vietnam on an isset near the spratty island of Taiping, vietnam charged that on March 25. Taiwanese troops on Taiping fired on Vietnamese transport ships. Taiwan asserted its sovereignty, reiterating its call for joint development and peaceful solutions to disputes in the archipelago, 700 miles south west of Taiwan. AP. Taipei

■ Motor vehicle sales in Japan in the year to March rose 5.1 per cent from the previous year to 5,055,374 units, marking the first annual rise in four years, the Japan Automobile Dealers. Association said yesterday. In March alone, vehicle sales rose 11.2 per cent from a year earlier, the 10th consecutive monthly rise, to 755,216 units, of which car sales rose 9 per cent to 534,424 units. AFP. Tokyo

■ indonesia has increased its recommended price of cement Portland type 1 by an average of about 40 per cent. A Trade Ministry official said the rise was intended to give companies an incentive to increase production but keep the price reasonable. Reuter, Jakarta

INTERNATIONAL ECONOMIC INDICATORS: BALANCE OF PAYMENTS

			~			- 0,4	-414				- GER	MINELS 1			
	Exports	Visible trade balance	Cerrent ecosust belance	Ecol ecolonida cape	Effective exchange rate	Esparte	Vadde Tech	Current account beleace	Ess essivinge egis	Effective exchange with	Esparts	Viete trade belease	Carrest account buleage	Eco enthurse rate	Electro sustango rate
1965	279.8	-174_2	-164.5	0.7623	100.0	230.6	79.0	64.5	180.50	100.0	242.7	33.2	21.7	2.2260	100.0
1966	231.0	-140.8	-153.7	0.9836	80.2	211.1	95.2	a7.0	165.11	124.4	248.5	53.4	40.3	2.1278	708.8
1987	220.2	-131.8	-144.8	1.1541	70.S	197.3	88.1	75.3	166.58	133.2	254.3	56.7	39.6	2.0710	115.3
1988	272.5	-100.2	-108.3	1.1833	66.0	219.9	80.7	66.7	151.51	147.3	272.9	61.6	429	2.0739	714.9
1989	330.2	-99.3	-93.3	1.1017	89.4	245.S	70.5	52.8	151.87	141.9	310.2	65.4	52.3	2.0681	113.5
1990	309.0	-79.3	-72.0	1.2745	65.1	220.0	50.1	28.3	183.94	126.0	324.4	51.8	36.2	2.0537	119.1
1991	340.5	-53.5	-5.9	1.2391	64.5	247.4	83.1	62.9	166.44	137.0	327.4	11.3	-15.7	2.0480	117.7
1992	345.9	-65.2	-52.4	1.2957	62.9	254.6	101.7	89.8	164.05	142.9	330.6	15.7	-17.0	2.0187	121.2
1993	397.3	-98.7	-88.8	1.1705	65.6	300.0	120.9	111.0	130.31	173.6	322.9	31.4	-19.7	1.9337	124.8
1994	432.3	-127.6	-131.4	1.1857	65.6	324.0	122.6	108.1	120.99	173.8	356.0	38.4	-25.6	1.9198	124.0
1st qtr.1994	106.7	-29.0	-28.8	1.1244	66.6	81.1	32.7	29.6	120.95	182.5	81.9	7.6	-5.9	1.9370	122.4
2nd qtr. 1994	107.9	-32.9	-32.9	1.1605	65.3	91.7	\$1.8	28.7	119.84	187.1	89.7	11.1	-2.7	1.9275	123.5
3rd qtr.1994	108.5	-33.9	-33.4	1.2232	62.9	80.4	30.1	28.2	121.14	189.9	88.6	6.4	-13.2	1.9088	126.0
4th qtr.1994	111.\$	-32.1	-36.3	1.2346	62.3	80.9	28.4	23.9	122.03	189.1	95.6	11.2	-7.2	1.9056	126.3
March 1994	S7.5	-8.4	п.а.	1.1410	66.1	27.2	10.2	9.8	120.04	185.3	26.8	1.2	-1.9	1.9299	123.2
April	36.0	-10.6	n.a.	1.1385	66.0	27.6	11.3	10.9	117,79	188.6	29.1	4.6	-0.B	1.9335	122.8
Mary	35.3	-11.1	n.a.	1.1622	65.3	26.1	9.6	7.8	120.67	188.2	30.2	3.0	-2.3	1_9265	123.5
June	36.2	-11.0	n.a.	1.1808	64.8	28.0	10.8	10.0	121.08	188.B	30.5	3.6	0.1	1.8228	124.3
July	33.9	-12 <i>.</i> 2	n.a.	1.2197	63.0	26.9	11.1	9.5	120.00	151.5	29.0	2.2	-7.0	1.9117	125.7
August	36.9	-10.5	n.a.	1.2196	63.1	26.9	9.2	7.8	121.85	188.7	30.5	4.0	-3.5	1.9075	126.3
September	36.0	-10.5	n.a.	1.2312	62.3	26.7	9.8	6.5	121,58	189.6	29.4	22	-2.7	1.9073	725.1
October	35.3	-11.0	n.a.	1.2544	91.5	25.4	9.0	6.4	123.44	188.2	31.3	3.5	-3.8	1.9072	126.4
November	36.9	-11.4	n.a.	1.2369	62.1	27.5	10.7	9.8	121.21	180.6	31.9	4.9	0.4	1.9044	126.3
December	39.2	-9.9	n.a.	1.2126	83.4	27.9	6.8	6.7	121.44	188.7	32.5	2.9	-3.B	1,9054	126.2
January 1995	36.1	-13.1	n.a.	1.2374		25.9	8.7	7.8	123.32	100.7	720	2.0	~0.0	1.8929	1202
February			n.a.	1.2455					122.27					1.8698	
	FRA	NCE				ITAL	Y			_	UNITED KINGDOM				
	Esporta	Visite trade between	Current account belowce	ica exchange	Effective exchange		Visitale trade	Current	Eza tuckenge	Elective exchange		Visible trade	Correct	Sca methody	Electric encloses
1965	133.4	-3.7		C 70 co	rate -	Equoris	Indiana	belance	(B))	rete	Exports	beimce	belence	rate -	right
1966	127.1	0.0	-0.2	6.7942	100.0	103.7	-16.0	-5.4	1443.0	100.0	132.4	-5.7	3.9	0.5890	100.0
1987	128.3	-4.6	3.0	9.7946	102.9	99.4	-2.5	-1.4	1481.8	101.4	108.3	-14.2	-1.3	0.8708	91.8
1986 1986	141.9	-3.9	-3.7	6.9265	103.0	100.7	-7.5	-2.1	1494.3	101.2	112.\$	-19.4	-7.1	0.7047	90.1
1989	162.9	-6.3	-3.4	7.0354	100.8	108.3	~8.9	-8.0	1536.9	97.8	120.9	-32.3	-25.0	0.6543	95.5
1989	102.9	-0.3 -7.3	-3.9	7.0169	99.9	127.8	-11.3	-17.0	1509.2	98.9	137.0	-36.7	-33.5	0.6728	82.5

	FRANCE		■ ITALY							UNITED KINGDOM					
	Exports	Visite trade behaves	Current account beforce	GCs exchange rate	Effective exchange rate	Exports	Visitgie tracje buitacje	Current account behance	Ecu tuchengo rate	Ellective exchange rate	Exports	Velble trade belance	Correct eccount belence	Sco auchinger min	Ellectro entique equi
1965	133.4	-3.7	-0.2	6.7942	100.0	103.7	-16.0	-5.4	1443.0	100,0	132.4	-5.7	3.9	0.5890	100,
1966	127.1	0.0	3.0	9.7946	102.9	99.4	-2.5	-1.4	1481.8	101.4	108.3	-14.2	-1.3	0.8708	91.1
1987	128.3	-4. €	-3.7	6.9265	103.0	100.7	-7.5	-2.1	1494.3	101.2	112.5	-19.4	-7.1	0.7047	90.
1986	141.9	-3.9	-3.4	7.0354	100.8	108.3	-8.9	-8.0	1536.9	97.B	120.9	-32.3	-25.0	0.6543	95.
1989	162.9	-6.3	-3.9	7.0169	99.9	127.8	-11.3	-17.0	1509.2	98.9	137.0	-36.7	-33.5	0.6728	82.0
1990	170.1	-72	-7.2	6.9202	104.8	133.6	-9.3	-19.0	1523.2	100.9	142.3	-26.3	-26.9	0.7150	91.
1991	175.4	-42	-4.9	6.9643	102.7	137.0	-10.5	-17.7	1531.3	98.9	147.7	-14.7	-11.7	0.7002	91.7
1992	182.5	4.5	2.9	9.8420	106.0	137.9	-8.0	-21.5	1591.5	95.7	145.9	-17.8	-13.4	0.7359	88.4
1993	179.8	13.3	7.9	6.6281	108.3	144.3	17.9	9.8	1836.7	79.6	155.9	-17.2	-14.4	0.7780	80.4
1994	198.2	12.9	7.9	6.5659		151.0	18.8		1908.9		174.5	-13,9	-15.2	0.7738	80.2
1st qtr.1994	46.8	2.4	3.9	8.5881	108.0	37.5	3.4	1.1	1892.8	76.2	42.0	-4.4	-1.9	0.7554	91.5
2nd qtr.1994	48.9	3.2	0.9	9.5987	108.0	40.7	4.7	3.0	1861.2	77.9	43.0	-3.1	-0.9	0.7718	80.0
3rd qtr.1994	50.0	3.1	1.2	6.5362	110.0	38.0	6.2	1.5	1920.2	75.9	44.0	-2.4	1.7	0.7885	79.
4th qtr.1994	52.6	4.2	2.2	8.5426	110.1	34.9	4.5		1960.2	74.0	45.4	-4.0	0.9	0.7791	80.2
March 1994	16.1	1.35	1.34	6.5782	108.3	14.5	1.7	0.8	1901.9	75.9	13.9	~1.7	T-iL	0.7649	80.5
April	15.9	1.17	0.61	6.6240	107.1	12.9	1.4	1.0	1850.1	78.0	14,4	-0.9	n.a.	0.7973	80.0
May	19.7	1.13	0.54	6.5972	107.5	13.7	1.6	0.9	1852.9	78.2	14.1	-1.4	n.a.	0.7733	78.5
June	19.a	0.88	-0.20	6.5688	108.8	14.0	1.7	1.0	1880.5	77.1	14.5	-0.8	0.8.	0.7741	80,1
July	16.1	0.64	0.94	9.5508	109.7	14.2	3.1	1.9	1904.5	79.3	14.5	-0.8	na	0.7881	79.2
August	17.2	1.11	-0.35	6.5347	110,2	9,9	2.0	1.9	1928.3	75.4	14.7	-0.8	n.a.	0.7906	79.0
September	16.7	1.37	0.65	6.5233	110.3	14.0	1.1	-2.2	1928.0	75.3	14.8	-0.9	na	0.7867	79.2
October	17.3	1.68	0.45	6.5281	110.5	13.8	1.9	0.4	1342.9	74.5	15.0	-0.9	r.a.	0.7812	80.2
November	17.4	1.05	-0.28	6.5388	110.1	14.0	1.1		1958.1	74.0	15.4	-1.6	n.a.	0.7786	80.2
December	17.9	1.51	1.97	6.5612	109.6	7.1	1.8		1979.9	73.2	15.0	-2.1	FLB.	0.7775	80.1
January 1995	17.8	1.45		9.5464					1992.4		7-1-		C.B.	0.7858	00.
February				8.5040					2017.1				n.a.	0.7923	

Due to the introduction of the Single Market, EC countries are currently changing to a new system of compiling trade statistics. At trade figures are sessonally adjusted, except for the Italian series and the German current account, imports can be derived by subtracting the visible trade belance from exports. Export and import data are estocketed on the FCB fires on board bases, except for German and Italian Imports which use the CIF method fincluding carriage, insurance and freight charges). German data up to and including June 1990, shown in italians, refer to the former West Germany. The nominal effective exchange rates are period everages of Bank of England trade-weighted insides. Data supplied by Datastream and WEFA from national government and Cantral bank sources.

Daya Bay nuclear plant to be shut down after fault

By Simon Holberton in Hong Kong

The Daya Bay nuclear power plant in southern China will be shut down indefinitely from today after one of its two reactors failed a safety test last

The \$4hn (£3.5hn) power plant, China's first commercial nuclear plant, is 30 miles from Hong Kong and has been the source of much anxiety in the colony since construction began in the late 1980s. Unit One failed a test con-

cerning its control rods last week. These rods are used to control and stop the fission reaction at the heart of the reactor's operation. The second of the plant's two reactors will be shut down for maintenance and refuelling.

Mr Jacques Pretti, senior technical advisor to Hong Kong Nuclear investment Co (HKNIC), a 25 per cent shareholder in Daya Bay, was unable to say when the reactor would restart operation. "It's a nuclear power station and we do not have to take risks," he said. He likened the

current situation et Daya Bay to an aircraft grounded for safety reasons. "It's on the ground so it cannot crash." Mr Pretti, who has managed nuclear power plants in France for Electricité de France, said routine tests in December found seven of the 53 clusters of rods which control the nuclear reaction had failed to meet international standards for the speed of drop into the

uranium fuel. A decision had been taken to replace all the rod clustera with new ones from France.



But when fresh tests were conducted last week, the same problem re-emerged.

"We are expecting a diagnosis from the experts from France. They are trying to analyse the situation and propose

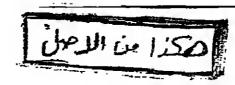
At the weekend, a group of French engineers from Framatome, the equipment supplier, flew to Daya Bay to help six others already there. Daya Bay has been plagued by a series of safety problems which have interrupted the

reactor's operation.

The shutdown today is the most serious. Daya Bay has always been contentious in

Hong Kong.
In 1986 Beijing was presented with a petition carrying more than Im signatures protesting at the construction of the

Some political analysts have suggested Daya Bay was as responsible as the Tiananmen Square massacre of 1989 for the large-scale emigration Hong Kong saw in the early 1990s.



THE SDAY SPANIS

ramed her grow

are fears

exodus

NEWS: INTERNATIONAL

Jordan uneasy as US drags feet on debt 'Greenhouse' gas

Opposition to peace grows as promises of a write-off have yet to win congressional support in Washington, writes Julian Ozanne

ew things could be more humiliating to Jordanians and more damaging to their support of peace with Israel than to see their popular monarch, cap in band, in Washington trying to persuade US law makers to honour President Bill Clinton's promise to write off Jordan's debt.

King Hussein's trip to North America, and his meetings last week with Mr Clinton and senior members of the US Congress, appear to have secured support for a write-off of the full amount of Jordan's \$702m (£439m) debt to Washington a promise Mr Clinton made in the Jordanian parliament to the king in October last year in return for his courage in making peace with Israel.

The apparent inability of the US administration to get congressional support for a writeoff of the full amount and the subsequent tough lobbying campaign forced on Jordan and supported by Israel has taken a toll on Jordanian support for

It has also made many Jordanians feel that the US, which gives Egypt and Israel \$5.1bn annually to support their peace agreement, is not sensitive to Jordan's economic plight and its need to achieve speedy tangible economic benefits from the peace process.

This has been compounded hy Israel's foot-dragging in negotiations over trade and aviation agreements, lack of progress in talks between Israel and Palestinians on extending self-rule to the West Bank, and Israel's punitive closures of its borders with the West Bank and Gaza Strip. There is also growing Jordanian hostility to thousands of Israeli tourists who have visited the kingdom since the peace agreement and whom insensitive to their culture and

traditions. Jordan has high unemployment and up to a quarter of the population is below the poverty line. King Hussein gambled that his peace deal with Israel would unleash a wave of foreign investment and aid which would quickly help redress Jordan's social and economic tensions and win over a

sceptical public. in the wake of the peace agreement he called for a 10year aid programme worth diverted to Jordan.

and others will fund.

Jordan's foreign minister, said after talks in Washington: "The questions are pending as far as bow much peace will contribute to alleviating the daily pressures, the daily joh opportunities, lowering the poverty levels in Jordan and improving the standards of living... We need to know that the international community is really forthcoming."

concerned by security and beset by divisions between ethof Palestinian origin, between an urban wealthy elite and the poor, and between secular and

the largest bloc in parliament, and its left-wing allies are rallying increasingly vocal oppo-sition to the agreement and specifically to any further steps towards normalisation of relations with Israel. Last month, they foiled government attempts to get parliament to

Israel and Egypt might be Israel by boycotting the session and denying the 80-seat

He also asked for a US military package worth \$12bn over 10 years, including three to four squadrons of aircraft and

The government bas also included in its 1995 budget big projects worth JD390m (\$570m) which are linked to the peace process and which it hopes international donors such as the European Union, the European investment Bank, the World Bank and bilateral donors such as Britain, Japan

Many Jordanians feel the US is not sensitive to their plight and their need for speedy benefits from the peace process

But the failure of the US to write off the full amount of its debt (last year Congress wrote off \$220m of the \$702m total) and the US allocation of a mere \$43m of aid for Jordan in 1995/ 96 has dented expectations of economic and military support. Mr Abdul Karim Kabariti.

Collapsing support for peace could have serious implications in a country still deeply nic Jordanians and Jordanians Islamic forces,

The Islamic Action Front,

INTERNATIONAL NEWS DIGEST

Israel postpones airline sell-off

The Israeli government yesterday postponed the privatisation of the national airline, El Al, for six months, in order to clarify the value of the company, which has an unbroken nine-year profit record, but which came out of a 12-year receivership

only last February. Mr Eitan Shafir, the senior official in charge of privatisation at the Treasury, said last night there was a big gap in the evaluations of potential revenue produced by both the government and its independent consultants, depending on the methods employed.

"We have to check the figures again for ourselves." Mr Shafir said. "The new El Al board also wants to check. The privatisation is not something that has to be done in a hurry. The company has no urgent need to raise capital. We also want to take into account changes in El Al's business and in the airline industry."

At present the company is wholly owned by the state. The government plans to sell at least 51 per cent through a flotation in Tel Aviv and New York. As recently as last December, the minister of transport, Mr Yisrael Kessar, set May as a target date for completing the sale. To date at least six local and international groups have expressed an interest in buying the airline. Eric Silver, Jerusalem

Investment in Syria grows Private sector investors in Syria pumped more than \$£233bn (\$5.5bn) into 1.251 projects over the past 42 months as the

government eased state controls.

Mr Mohammed Surakbi, director of the Supreme Council of Investment, told Reuters investors put most money into the industrial sector, spending S£156.1hn, 67 per cent of overall investments, on more than 600 projects in the food, textile,

chemical, engineering and medical sectors. He said the government had recently allowed the private sector to invest in state-dominated sectors such as the textile, cement, and sugar industries in addition to marine transport, to move towards a free market economy following decades of centralised, socialist-style economic policies.

Economists say private investors welcomed such laws but wanted more incentives. They estimate that Syrians have more than \$100bn in overseas banks and are awaiting a better

investment climate to bring it home. Officials say the Economy Ministry has submitted a study to the Council of Ministers on establishing a stock market, which investors badly need, but it was not clear when it would be approved. Reuter, Damascus

Iran wants talks on islands

Iran yesterday called for direct talks with the United Arab Emirates over the sovereignty of three disputed Gulf islanda, the Iranian news agency IRNA said.

It quoted Iranian interior minister Ali Mohammad Besharati as calling for "friendly talks between high-ranking officials of Iran and the UAE in order to solve their problems".

"To solve our differences there is no need for international courts and forums," he said, referring to UAE calls to take the dispute over the islands to the International Court of Justice. Iran, which says its sovereignty over the islands is not negotiable, has called for bilateral talks to clear up any

Iran and the UAE have been at loggerheads over Abu Musa misunderstandings". and Greater and Lesser Tunb islands since 1992 when the UAE, accusing Iran of occupying its islands, revived its claim to them after Iran tightened security measures at Abu Musa.

chamber a quorum. Twelve professional associations representing 80,000 doctors, lawyers, dentists, engineers and others have rejected normalisation of relations with Israel and announced their own boycott of the Jewish

"The danger is that there is a growing politically emotive feeling that Jordan has bolted from the nationalist Arab camp to a reliance on Israel and the US," said Mr Rami Khouri, a political analyst. There's a feeling of isolation and that we are now part of the US-Israel combine and that is a very uncomfortable feeling for many

Israel's slow and hureaucratic negotiations with Jordan on implementing the peace agreement bave also harmed Jordan's peace camp. For weeks earlier this year Israeli officials argued with Jordanians over the height at which Royal Jordanian passenger flights could fly over tsraeli territory. A trade agreement which was supposed to grant Jordanian goods preferential access to Israel has been delayed as Israel argues over

some of the US aid allocated to banned contact or trade with virtually every item and its

"Israel is bargaining line by line," said Mr Taher Masri, a member of parliament and former prime minister. "Israel is a huge economy compared to Jordan and it does not bave to bargain so hard. They give the impression that they will only do things that serve their economic interests..."

Jordanians, up to 70 per cent

of whom are of Palestinian origin, are also increasingly alarmed about the lack of progress hetween Israel and the Palestine Liberation Organisation and the year long delay in extending Palestinian self-rule to the West Bank, Privately many voice unease about the king receiving awards from embrace of Israeli politicians. Few Jordanians are prepared publicly to admit they are doing husiness or plan to do business with Israelis.

While the commitment of the king and his government to the peace agreement is strong. without tangible economic benefits and a much stronger cool mitment of the international community, the peace between the peoples - rather than the governments - of Israel and Jordan is likely to remain cold.

OF HER BEING SEATED

NEXT TO YOU ARE

SO SLIM THAT YOU



Israeli prime minister Yitzhak Rahin, US President Bill Clinton and Jordan's King Hussein on the White House lawn in Washington last year: bopes raised of a peace dividend for the king-

cuts proposed

By Haig Simonian in Berlin



sions of "greenhouse" gases at the United Nations conference on climate change in Berlin. The move, disclosed yesterday, presents a marked con-

trast to the otherwise thin achievements made as the conference enters its final week. The proposal, drafted over the weekend hy 46 members of the G77 group of developing countries, represents a "seri-ous basis for negotiations", a UN official said. 'It's encour-

aging to have such a strong

proposal relatively early in a

conference," he said. The document calls on states to recognise that existing efforts to cut greenhouse gases are inadequate and seeks a 20 per cent reduction by 2005.

That is much tongber than tbe agreement to cut emissions to 1990 levels by the year 2000, made by most industrialised countries at the 1992 Rio de Janeico earth summit. So far, only a handful of states, including the UK and Germany, look set to meet their commitment.

Almost two days after it was drawn up. deeply divided industrialised countries still had no unified answer or proposal of their own for how to prevent the long-term climate change which scientists say may have catastrophic effects.

The new plan will meet beavy opposition from the US. the world's higgest producer of carbon dioxide - the main greenhouse gas - which is hostile to any timetable or targets for reductions. Objections will also come from the Organisa-tion of Petrolenm Exporting Countries, which are against any cut in emissions.

However, the document has been backed by infinential newly industrialising countries such as China, India, Brazil and Argentina, as well as an alliance of 30 Caribbean and Pacific island states. Moreover, its recognition of the inadequacy of the Rio targets will appeal to the European Union, which has made a similar call.

But industrialised states will object to the developing world's view that "no new commitments" are necessary on its part. One of the main aims of many developed countries has been to persuade developing states to sbare some responsibility to limit greenhouse gases.

AIR FRANCE

L'ESPACE EUROPE

We know how hard it is for business travellers to have to concentrate on their work while waging the eternal battle of the armrest, so we have rearranged the space between our L'ESPACE EUROPE seats. Where there used to be rows of three seats, there are now two seats separated by a little table. Your seat is much wider, more comfortable and the total space more conducive to a little

privacy. Now, when you take a seat in one of our planes, you take your seat in space.



THE RIGHT TO PRIVACY



Probe rules out conspiracy in collapse of Barings

A preliminary criminal investigation Into the Barings collapse has ruled that a conspiracy was not responsi-ble for the bank's catastrophic trad-

Instead, senior British and Singa-porean investigators believe Mr Nick Leeson, the former Barings trader. was acting alone. They believe that no Barings executive knew of his trading and he was not helped by

Investigators believe Mr Leeson

may have been misleading his employers about the true nature of his trading activities from as early as July 1992, four months after he started working in Singapore.

The view has developed as a result of a series of closed meetings held in Singapore between local government investigators and a legal and police team from Britain's Serious Fraud

While in Singapore the SFO team interviewed Mr James Bax and Mr Simon Jones, both formerly directors of Barings Futures (Singapore), the

ings' collapse.

Both men are thought to have repeated their public denials that Mr Leeson reported to them on the trades he carried out on Simex, the Singapore futures exchange. The two men have said Mr Leeson reported to London.

According to Investigators Mr Lee-son had been building up hidden losses in a special account from the middle of 1992, and not just during last year as was originally suspected after an internal bank audit.

In spite of these losses Barings Futures (Singapore) - the unit of which Mr Leeson was general manager - showed continuing profits between 1992 and 1994, allowing the former trader to earn substantial bonus payments.

Investigators now put July 1992 as the date at which Mr Leeson's hidden trading account, numbered 88888, started to operate. This was the account through which Mr Leeson took out loss-making futures and

Meanwhile, the view has strength-

Cruising sets sail towards a new image

ened in the SFO that Mr Leeson is extradition to the UK. Meanwhile likely to face trial in Singapore Singapore has been given until May r than in the UK over his role in the Barings collapse.

The Singapore authorities have said that Mr Leeson forged two documents to cover losses of Y7.8bn (£54.54m) sustained on derivatives trading. They are considering widening their charge sheet.
The SFO believes that while its

level of knowledge about Barings has "progressed" in the past month. it is still far from gathering enough evidence to press for Mr Leeson's

Singapore has been given until May with a possible extension for another month - to present its full case for the extradition of Mr Leeson, who is imprisoned in Frankfurt police not to pursue charges against

bank have been cleared of lax man-

The inclination of lawyers and any individual other than Mr Leeson does not mean that executives of the

One UK investigator said yester day: "The management structure at Barings was appalling."

Receivers wary of claims by 'fat cats'

in the UK face about \$400m (\$648m) in claims from former (social) in trains from tone; employees of collapsed compa-nies, according to confidential figures presented to the gov-ernment, Jim Kelly writes. The Society of Practitioners

in Insolvency (SPI), which collated the figures, refused to comment on the total but said most claimants would be what it called "fat cat" directors. In an increasingly public campaign to persuade the gov-ernment to introduce retrospective legislation to block the claims, the SPI said some directors might get more than £500,000 each. About 1,000 claimants would be "the major

beneficiaries", it said: In contrast, SPI said that former employees who had earned less than £18,000 a year, or £350 a week, stood to get nothing. Their claims would be largely mitigated by the state benefits they had received. "This is not about giving the working man his dues," said Mr Colin Bird, an SPI official and a partner with Price Waterhouse.

Mr Ian Bradbery, president

of SPI, added: "Management failure is to blame for the collapse of many of the businesses involved. The people responsible for those insolvencies might now be rewarded

for their incompetence." SPI collected the figures from Britain'a 'big six' accountancy firms and Grant Thornton About 13,000 cases hava been reviewed in the last even days. The £400m figure includes an estimate of claims faced by other firms. Unoffi-cially it is understood that in about half the cases so far examined any claim would eventually cut payments to cases, which have been closed, the insolvency profession faces most of the claims.

The problem arises from a miswording in legislation which, after court judgements means receivers and adminis-trators are liable for some contracts of employees who lost their jobs through insolvency between 1987 and march 1994.

Wimbledon in warning over ticket 'racket'

Organisers of the world-famous Wimbledon tennis tournament have warned companies contemplating corporate hospitality packages to check the valid-ity of tickets they are offered for this year's event.

The All England Lawn Tennis Club has issued the warning in an attempt to prevent the embarrassment experienced by some blue chip companies at last year's championships, when their guests were refused admission.

Clifford Chance, the leading firm of solicitors, last year found that some of its guests. including Sir Gordon Borrie, were unable to gain entry.

A German businessman paid more than £50,000 for 35 tickets to entertain his most important enstomers only to find that every ticket was invalid. Mr Chris Gorringe, Wimbledon's chief executive, said: "The last thing we want is to cause individuals and companies disappointment, embarrassment or financial loss and this is very simply avoided hy checking ticket validity prior to purchase. Tickets are valid only if purchased from the club or its agents and affiliated organisations and clubs, and used by the purchaser. Overseas sales are handled by Keith Prowse Hospitality in Europe and the Sportsworld Group in the US.

"The Owner-Directors'

Programme provided me

challenging level of stimu-

with the high standard,

lation I was looking for.

It has provided the added

value needed to stay ahead

in today's market place.

Time and money well

David RIXON

Giles Foods Limited

2,100 tickets issued deily to holders of 1991-95 Centre Court Debentures. This unofficial but legal market, which provides the only clue about current market values, last year priced a pair of tickets for men'a sin-

gles finals day at £2,000. In 1990, in response to damage to the tournament's reputation from the growing number of ticket touts, the club introduced new conditions of sale to prevent individuals from passing on to a third party tickets they had obtained in the public ballot or through

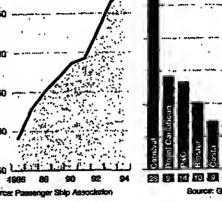
other official chamels. This did not prevent unauthorised organisations from persuading individuals to part with tickets to be used in unofficial corporate hospitality

One of the companies which marketed the packages was Corporate Sports (UK), whose impressive list of clients included BT Business Commu-nications, Federal Express (Europe), Mercedes Benz South African Airways.

into liquidation soon after last year's championships owing £550,000 to about 90 unsecured creditors - not all of the dehts relating to Wimbledon. Anyone with doubts about

tickets this year's event - from June 26 to July 9 - should call the club at 44 181 944 1066.

The main players Cruising ahead Number of berths (000) UK residents talding cruises (000)



To Britons, the image of cruising is stuck immovably between the two world wars, a world in which blue-rinsed matrons and retired captains of industry swayed to the genteel rhythms of a palm court

P&O. itself one of the grand old names from the shipping past, hopes Thursday's naming of the £200m (\$324m) Oriana, the latest addition to its cruise fleet, by the Queen in Southampton will dispel that image. There have been no conces-

sions in the field of luxury -Corporate Sports (UK) went the Oriana boasts the higgest swimming pool afloat and a waterfall descending the full height of its four-deck atrium but P&O is anxious to emphasise the high-tech nature of its

The Oriana is the fastest cruise ship built for more than advanced hull design and stabilisers will provide a smooth journey for the 1,800 passengers and 760 crew relaxing or working on its 14 decks. Amenities include a West End-style theatre with revolving stage. full orchestra pit and individually air-conditioned seats.

With accommodation 1.760 people - 1,975 if all the additional berths in cabins are put to use - the Oriana will add about 10 per cent to the capacity of the UK cruise market. This has prompted fears that operators could be forced into discounting. But the UK cruise market

has grown by an average 12 per cent to 15 per cent a year in the past decade, slowing to 7 per cent last year, and the majority view is that the Oriana's additional berths will soon be filled, Mr David Dingle, marketing director at P&O



Cruises, believes last year's slowdown was the direct result of a shortage of capacity.

Because the cruise industry cruising draws so many of its customers from among the wealthy and those established in business it has proved better able to weather recessions than other sectors of the tourism industry. Cruise Passen-gers are typically people with savings rather than those struggling with a mortgage.

Industry observers expect most new growth to come from the lower-priced end of the market, fuelled by the entry of Airtours, the travel and airline group, and CTC, a Ukrainianowned cruise line.

The US - the biggest cruise market with 46m passengers last year compared with 283,000 in the UK - has already made considerable progress in capturing younger customers. This is partly because the US does not have a European-style package holiday market of the type which appeals to young people or those with young families in Europe. P&O'a US arm, Princess

Cruises, and rivals such as Carnival, the world's biggest cruise operator, with its "Las Vegas at sea" concept, appeal to a younger clientele.

Although the Japanese have yet to take to cruising in a big way, it is growing rapidly both in its traditional market, the US, and in the UK and Germany, the two most enthusiastic cruising nations in Europe. Mare than 30 cruise liners worth a total of \$7.5bn are on order around the world and the 69,000 tonne Oriana will soon be overtaken by several 100,000

tonners.
The pressure to renew fleets will increase after 1997, when

tougher safety guldelines agreed under the international Maritime Organisation are applied to cruise liners and ferries. These are intended to reduce the danger of fire, which is still the biggest threat to a vessel at sea.

The destruction by fire of the Italian-owned Achille Lauro in the Indian Ocean last Decem-ber showed the potential for disaster, although the speed of the evacuation meant it was accomplished with minimal

loss of life.
Provided the cruise sector can maintain its imaga of value for money luxury, and a solid reputation for safety, it seems set for growth. Even in the US, only 5 per cent to 10 per cent of the population have taken a cruise, according to a NatWest Securities review.

Charles Batchelor

MTED K

INSEAD I ERNST& YOUNG

Entrepreneurs have a talent for spotting a good opportunity

The Owner-Directors' Programme at INSEAD is a 2-module, specially developed course for owner directors which deals with the challenges and problems faced by growth-oriented private businesses. The Owner-Directors' Programme, led by an international faculty, builds on participants' experiences and actual "case" problems of real growing businesses, augmented by guest appearances of owner directors. Participants in the 1994 Programme describe the experience with comments such as:

*Provided a very high standard of presentation ocross a wide variety of relevant topics; including significant group participation...

"Good range of topics, group dynamics, full participation of all attendess; top rate presentations, good back-up materials..."

Module 1 (21 - 27 May 1995) Strategy, Management, and Competition

Module 2 (15 - 21 October 1995) Leading and Growing the Business

INSEAD is Europe's leading business school and is a world leader in executive education with around 3,000 executives from 1,000 companies in 60 countries participating in programmes each year, in addition to a leading MBA programme.

For full details on The Owner-Directors' Programme, please return this coupon and your business card to, or contact, Susan Rofe, Manager Consortium Programmes, INSEAD, France, Tel (33-1) 60 72 42 06 or Fax (33-1) 60 72 42 42. We look forward to hearing from you.

To receive a copy of the brochure on The Owner-I Susan Rofe, INSEAD, Boulevard de Constance, 7730	Directors' Programme, please mail or fax this coupon to 5 Fontainebleau Cedex, France, Fax (33-1) 60 72 42 42.
Name	
Company	
Address	
Town	Country
Telephone	Country
	FT1/95

HUNGAROTABAK CO.

For professional investors - for cash

With more than 30% share of the market, a national wholesale network, about 8 billion cigarettes per year, a yearly price income of about HUF 20 billion - these are the main characteristics of the Hungarotabak Co.

The State Property Agency invites tender in the coming days for the sale of the 51,52% portfolio of the leading Hungarian tobacco trading firm. The Agency anticipates first of all the bids of professional investors for the privatisation of the company with a registered capital of HUF 1 billion 906 million and assets of the value of 2,3 billion HUF. The Hungarotabak Co. is targeting to satisfy the needs of the Hungarian tobacco market and it offers the full assortment of cigarettes. Its suppliers are almost entirely the Hungarian producers.

The Hungarotabak Co. is, as its legal predecessor, the Tobacco Trading Firm, established in 1949 was, a traditional actor of the Hungarian economy. For decades the whole Hungarian tobacco industry operated in the form of trust and within this the Hungarotabak enjoyed a monopoly position on the field of tobacco wholesale trading. During the 80's it was the sole Hungarian tobacco wholesale trader under the name of Tobacco Trading and Services United Enterprise with export and import activities, but its role was mainly that of the distributor of products for the domestic wholesale firms. Due to a special type of trust the owners of the firm were the enterprises belonging to the trust, that is the tobacco fermenting and cigarette factories and the Tobacco Research Institute. Consequently all the cigarettes made by the tobacco factories in Pécs, Debrecen and Sátoraljaújhely and all the imported tobacco goods were distributed on the Hungarian market by the Tobacco Trading Enterprise.

In the 80's the firm operated a distributing network and stores capable to supply the whole country. The firm was transformed into a Company from the 1st July, 1991 under the name of Hungarotabak Co. becoming an independent actor on the market and it is still present in all the major cities of the country: it operates 34 local branches and stores and six retail trading units among them four top-quality shops in the vicinity of the tobacco factories in Budapest, Debrecen and Pécs.

During the last five years the market conditions have significantly changed. The trade was liberalised and the competition is becoming extremely sharp. It is known that the privatisation of all the Hungarian tobacco factories and 80% of the fermenting factories had already taken place - all the four tobacco factories were bought by multinational companies. At the same time the monopoly position in trading discontinued, a number of domestic and foreign firm has successfully penetra-

Yet the Hungarotabak is still leading in Hungary with its 30-35% share of the market. Last year 7,3 billion cigarettes out of the yearly production of 22 billion pieces were distributed by Hungarotabak. The company's most important aim in 1994 was to maintain its share of the market and this was successfully accomplished in spite of the hardening terms of competition. The firm achieved last year a net profit of about 100 million HUF.

For the time being the company has a secure share of the market but it needs to involve a professional owner with sufficient capital to compete successfully in the future with the strengthening domestic private and foreign firms. The Hungarotabak Co. (address: H-1111 Budapest, Budafoki u. 59.) has at present 350 employees. The State Property Agency expects exclusively cash bids for the 51,52% portfolio of the Hungarotabak Co. and this is hardly surprising in the light of the company's excellent parameters. The deadline of submission of the bids is 10 May, 1995 between 10 and 12 a.m. in the offices of the SPA.

For further detailed information on the company and tender, please contact: László Weninger,

Counsellor of the State Property Agency H-1133 Budapest, Pozsonyi út 56. Phone: (36-1) 118-3853, 269-8600/1735 Fax: (36-1) 118-0435, 266-8508.

Tender documents may be obtained at: Customer Services Office of the SPA H-1133 Budapest, Pozsonyi-út 56. Phone: (36-1) 289-8990 Fax: (36-1) 269-8991

HUNGARY: PRIVATISATION GOES ON

Defence officials hit by entertainment ban

Officials at Britain's Ministry of defence have been banned from accepting entertainment

payments totalling £1.3m.

army, John Kampfner and Bernard Gray

A compromise plan to widen part of the M25 London orbital motorway to 12 lanes was announced by the government yesterday. At the same time it announced a study of transport connections between central London and its three main airports at Gatwick, Stansted and Heathrow.

Among proposals under consideration in the study, by the Department of Transport and private sector representatives, are a privately financed road/rail link for air travellers, in which a number of interchanges would be built on main roads into the capital.

This would allow travellers to switch from

NEWS: UK

Nuclear power station wins extension

By David Lascelles, Resources Editor

PIZSOAY APRIL

Receiven

wary of

Administrators of the Charles of Colleges of Colleges

Maries Production of the

The Society of the

in the forms of the

Money exercises and a

in an arreadill

to proper to

STREET, 1

the distance of the state of th

Company would be be contracted to the contract of the contract

former (=pinter) samed has the

Man of The Farm

ger melbing Tim

Bould be LT

Br. state Danelling

PROPERTY OF THE PARTY.

wiving the govern

dues to M. Co.

Mr. Car. Limited

fatinte of the

STATES OF THE PARTY OF THE PART

Alle wight a e a a

Total State Section

- Ser where at

How has been a

BE03221

THE TOTAL OF THE

BRIT Despirements

Metal Asia Trans

Estable ...

Alered to service

Albert To Tar

CONTRACTOR OF THE PARTY OF THE

ALC: N

The law - - - - be

Bearing to

建

最後 かっさいていて

2 3 3 T

The state of the s

The state of the s

THE DE

Carp.

THE PARTY OF THE P

1

第 #

VOCES O

100

orace size

10.7.6

trg (5

ين ج

Control of the second

をおかり シンテカース

A STATE OF THE STA

Benen :

Price Waterbale

COMMENT OF THE PARTY.

A CONTRACTOR OF THE PARTY OF TH

claims,

Nuclear Electric, the UK power generating company, has received permission from the nuclear industry regulators to extend the operating life of its Hinkley Point A magnox power station beyond 30 years.

The move makes it likely that several other magnoxes will be granted longer lives, which will improve their financial

The magnox stations were the first generation of UK commercial nuclear power stations. Although they have never been fully commercial, the longer they can operate, the bigger the

for their decommissioning costs, which are likely to be large. The Nuclear Installations Inspectorate said yesterday that it was satisfied it would be safe to run Hinkley Point A's two reactors beyond 30 years, a point they reached on March 31.

Although the NII gave no final date. it said that no safety factors had been identified which would limit the life of the station to less than 40 years. But the life extension is conditional on NE carrying out work to enhance the safety of the station, and on satisfactory results from regular tests and inspections.

Tha next stations coming up for consideration are Sizewell A and provisions they can accumulate to pay Dungeness A, which are similar to

Hinkley A, and Nuclear Electric said yesterday that it boped to receive clearance for these as well. The later magnoxes at Oldbury and Wylfa were built with more robust concrete pressure vessels, and are also strong candidates.

The NII's move comes as the government is in the final stages of its review of the nuclear industry. Although the magnox stations are not candidates for privatisation, the extension reflects well on the technical and managerial abilities of Nuclear Electric. The extension is also good news for taxpayers, who will have to cover any shortfall in the hudget for decommissioning the magnox stations and cleaning up their waste.

James Capel, the stockbrokers, said yesterday that the government could privatise Nuclear Electric with its five newer technology advanced gas-cooled reactors (AGR) and its recently commissioned pressured water reactor (PWR) at Sizewell B.

In a report on power generation, the firm's analysts said privatisation was both feasible commercially and desirable from the broader perspective of energy policy. Concerns which had prevented the government selling off nuclear when the rest of the electricity industry was privatised in 1989 had been resolved. Uncertainties about long-term liabilities had been removed, operating costs had come down, and Sizewell B was operating successfully.

German strategy to curb inflation

By David Marsh European Editor

Mr Michael Portillo, one of the government's leading Eurodoubters, yesterday said Britain should adopt German style economic policies and work closely with the European Union to increase jobs. Speaking to German and British businessmen in London, the employment secretary criticised unnecessary EU hureaucracy and government intervention, but otherwise adopted a conciliatory tone on Europe.

Although Mr Portillo did not cast off altogether his Euro-sceptical clothing, he revealed a soft spot for Germany which many of his audience did not

Mr Portillo scotched the idea that Britain would ever decide to leave the EU, and said Europe had sufficient "imagination" to accommodate different views among its members about moving towards European federalism.

He refused to be drawn on questions about economic and monetary union. The UK would make up its mind about joining Emu at the appropriate moment. This, he said, was imlikely to be in 1997, the first date set for Emil by the Mass-tricht treaty.

In his speech, at a lunch organised by the German-Brit-ish chamber of industry and commerce, Mr Portillo paid careful tribute to Germany's anti-inflation policy as well as its emphasis on training and

skills. "Stable, economic

systems must be based on sound money. Germany has long realised this economic fact of life." At times, Mr Portillo appeared to be following closely the last paragraph -"We should be mice to the Germans" - of the notorious memorandum about Germany writ-

ten for Mrs Margaret Thatcher, the then prime minister, in March 1990. He acknowledged differences on social policies between the UK and Germany, but said the two countries had much in common. "The UK admires Germany's success. Indeed we wish to emulate you. Imitation is the highest form of flattery." The UK wanted an economy based on the "German exam-

paid workforce."
Turning to EU policies on employment and social affairs, Mr Portillo said any future regulations had to pass the dual test of helping Europe become more competitive and of creating new jobs.

Scott Mooring III

ple". His goal was "a high pro-

ductivity, highly skilled highly

Portillo praises | Weak pound forces up costs of raw materials

By Robert Chote,

The weakness of the pound put fresh upward pressure on industry's raw material costs last month, even though growth in factory production appears to have slowed.

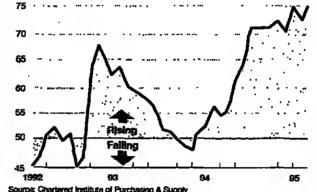
Economics Correspondent

The Chartered Institute of Purchasing and Supply said vesterday that a majority of purchasing managers had reported a further rise in the cost of materials, fuels and semi-manufactured inputs in March, Its monthly pricas index rose to the secondhighest level on record.

Evidence of resurgent price pressure will be examined tomorrow when Mr Kenneth Clarke, the chancellor, meets Mr Eddie George, the governor of the Bank of England, to discuss interest rates. No immediate rise in rates is expected, although both the Treasury and the Bank are worried about the weak pound. The institute said input

prices had been pushed higher because the weak pound had raised the sterling cost of imports, and companies had difficulties in obtaining supplies. Plastics, chemicals, papers and metals were all Input prices rose most rap-

idly in consumer goods industries, where the growth in output and orders was slowest. Price pressures were relatively Input prices



subdued in capital equipment, while output grew most quickly for intermediate goods used in other products.

The institute's leading indicator of inflation predicts a small but significant rise in the rate of price increases in the next year, but with a slowdown before 1997.

The survey showed that factory production grew in March, but slightly less fast than in the previous month. Order books showed a similar pattern, prompting purchasing managers to step up their buy-ing to avoid supply difficulties and to pre-empt impending price increases.

Suppliers took longer to deliver goods, reflecting shortages of commodities and bottle-

necks in the manufacture of components. Stocks of finished goods shrank as production in many companies falled to keep up with demand.

In an attempt to expand capacity, a fifth of companies surveyed took on more employees in March, although the increase was more subdued than in the previous month.

The picture of slowing growth in March was backed hy the latest narrow money supply figures from the Bank of England. They showed the annual growth rate of notes and coins in circulation falling to 5.9 per cent in the year to March, from 6.1 per cent in the year to February. The rate of increase in the month alone was stable at 0.5 per cent.

UK NEWS DIGEST

Exchange plans more disclosure

The London Stock Exchange has proposed that for the first time, market makers no longer be allowed to hide large stakes in the UK's largest

The proposal follows controversy over the marketmaking activities of Swiss Bank Corporation at a time when its corporate finance arm was involved in preparation for a hid for Northern Electric. Although SBC was cleared of any wrongdoing hy the exchange, it acknowledged the need to review its rules. Also the exchange is understood to have

been under pressure from other securities regulators which have been concerned that the rules allow investors to be misled. The regulators are considered unlikely to be satisfied with the proposals issued yesterday, preferring to see disclosure of stakes in smaller companies as well.

The new rule, if adopted, would require market makers to disclose stakes of three percent or larger in shares of the FT-SE 100 companies. Alternatively, it said, the exemption could be lifted for market makers who acquire stakes of three percent or more in all companies. Norma Cohen, Investments Correspondent

Labour leader sacks spokesmen after trip Mr Tony Blair yesterday sacked two of his

frontbench spokesmen for missing two votes while travelling in Turkey and Iraq without the party's permission. Mr Blair, leader of the main opposition Labour party, who has repeatedly made clear his belief that the party must improve its discipline to win the next election. sacked Mrs Ann Clwyd and Mr Jim Cousins from Labour's foreign affairs team after a series of tense meetings at Westminster.

The MPs said they were asked to observe the Turkish invasion of northern Iraq, by the office of Mrs Tansu Çiller, the Turkish prime

Officials said Mr Blair decided after seeing the MPs individually that they deserved the sack for missing important votes on the disability discrimination bill and a Labour attack on government education policy. They also missed a session of foreign questions in the House of Commons. Kevin Brown

Farmers union warns over live exports

Many farmers in England and Wales will face an economic crisis if the the courts do not uphold their legal right to export live animals for slaughter and veal production unhindered. counsel for the National Farmers' Union told the High Court yesterday. Mr Charles HaddonCave said it was difficult to exaggerate the gravity of the potentially disastrous situation since the port of Dover had banned exports and animal rights protesters had threatened other outlets.

There had already been a dramatic drop in calf prices and an adverse effect on lamb which could be expected to steadily worsen. A collapse in beef prices in 18 months was inevitable unless something was done. The NFU "strongly supported" the UK's biggest exporter of live animals to the rest of Europe, Peter Gilder & Sons, which is asking the court in a test case to rule that the ban imposed by Dover Harbour Board since January is unlaw-

invitations from arms companies, MPs were told last night. In testimony to the public accounts committee, Dr Malcolm McIntosh, chief of defence procurement at the defence ministry, admitted that controls had been lax in the past.

Last month the national audit office, the public spending watchdog, issued a report highly critical of defence ministry safeguards against corruption. Of £22m (\$35.64m) worth of fraud currently under investigation, at least £3m related to the case of Mr Gordon Foxley, a former director of ammunition procurement. Mr Foxley was sentenced to four years' jail last May on 12 charges of receiving corrupt

Meanwhile final development of a new £250m communications system for British Army's 30,000 vehicles and command centres, called the Vehicle Integrated Communications and Information Distribution System, (VICDS) has been put back for three years. The delay is to "meet risks identified in the original programme and to align the programme with the Bowman." Bowman is the new personal communications network being developed for the

Widening plan for London orbital route

car to train and check in luggage before completing their journey to the airport by rail.

Mr Brian Mawhinney, Britain's transport secretary, said that the M25 would be widened from eight lanes to 12 on its busiest stretch between junctions 14 and 15, close to Heath-

row airport. Charles Batchelor Transport Correspondent

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

UNITED KINGDOM MASTER FRANCHISE

BMS Technologies, the leading company in the world, solving the problems associated with Indoor Air Quality and associated with indoor Air Quanty and Iosurance Cainstrophe Restoration, is inviting you to visit with us concerning the purchase of a protected master franchise for the entire United Kingdom. United Kingdom. The functial rewards of such a franchise have been proven in 15 other countries as well as in

North America. BMS Technologies provides 15 different profit centers. If you believe BMS Technologies can offer you a unique opportunity to succeed, don't miss
this multi-million dollar opportunity:

FAX (817) 335-5118 BMS Technologie

 Telephone (817) 332-1575 or · Write Lloyd Swiggum, President, to pre-qualify and set an appointment to visit with Scott Mooring III, staying at the London Hilton Hotel on Park Lane, June 4-9.

Success is just a call away

1320 So. University Suize 400 Fort Worth, Texas 76107 U.S.A. 817-332-1575 FAX: 817-335-5118

A financial partner is sought by a Bond Street retailer established over forty years, which has been granted a unique opportunity to open a flagship store for a Prestigious and Internationally famous Paris Fashion House.

Principals only. Please write in confidence to Box B3676, Financial Times, One Southwark Bridge, London SEI 9HL

JOIN IN A GRAND NATIONAL TOUR

Noel Coward's spellbinding pageant of British life, "CAVALCADE", will be touring Number One theatres this year

For details of how to invest in this production. please contact Loma Anderson, King's Head Theatre, 115 Upper Street, London N1 1QN. Tel 071 226 8561

investment in the theatre is highly speculative. This advertisement has been approved under The Financial Services Act (1986) by a company regulated in the conduct of investment business by The Law Society.

processes and technologies sourced by strategic permerships with suc companies in Japan, N.America and etsewhere. We research high quality opportunities for companies and provide a full service including opportunity identification, market research and agreement negotiation

London based agency has gross income of £1 million, long-term relationship with blue chip clients and no property commitments.

Tel: 0171 304 4646

Property developer, owner of Spain/Costa Blanca, looks for

financing of property projects.

FAX: 01905 620208 national TEL: +44 1905 621212 FAX: +44 1905 620208

Windows NT

Partner with the world's leading Windows NT system software company. Established company with proven mainframe-like products, generating mainframe revenues ARGENT SOFTWARE Fax: 1-203-489-8924

in a spectacular production involving 300 extras.

Dr Derek A Newton, Director - SPA TECHNOLOGIES LTD 18 Arlington Avenue, Learnington Spa, Warwickshire, England, CV32 5UD Tel: 01926 332228 Fax: 01926 335657

SEEKS MERGER PARTNER/TRADE INVESTOR

Enquiries to: R G Willott Willott Kingston Smith, 10 Bruton Street, London W1X 7AG

(JUNE '95) REQUIRES SPON Exclusive areas advertising Approx. sours prime time BBC TV Internation TV (344 countries in 1994) Nation Press Coverage. Full entertainment

Write to & 028-16124.

IAN WHO SEEKS LARGE NEST EGG - MUST FEST FIND BIG DIRO?" "STOCKS, BONDS AND OSTRICH! - A DIVERSE

THE PERSON FROM FINE

DEVELOPING COUNTRIES Almost unused long haul mallony transport. Also giant barge grance and other sought after equipment, fraction of new cost. Fex (Int) 31-18 435 PUND INTERKATIONAL

benefits. Must have 10 yrs experience. Fax resurre New York 212-758-8137 RACEHORSE OWNERS required for 40% of 2yo cold by Clarifone ready to run April. Also prospective owners for Briezes Up Sales. Rupert Arnold (trainer) 01489 73808.

SEEKING REPRESENTATION FOR · ILROPEAN Companies in INDIA

OSTRICH FARMING

Fax: LONDON

+44 (0) 181 675 0864 +44 (0) 181 769 6349

An introduction into Armchair Ostrich Farming with United Ostrict Farmers (Europe) Ltd. Generate a Tax Effective Second locome from this expanding new UK Industry. Call TODAY for further information. Tel: 01296 87482

BUSINESSES WANTED

ACQUISITIONS LARGE INTERNATIONAL PLC IS SEEN TO EXPAND THROUGH ACQUISITION Engineering product O E M's Annual sales over £5m Good export potential Profesble Established sales network ipais only send to Bor No. 53679.

SMALL ELECTRONICS/INSTRUMENT COMPANY wanted as a base for development and manufacturer of low volume products, Will consider loss melaing ventures. Will to Box 83886, Financial Times, One Southwark Bridge Landon SE1

Flexibility as to size of operatioo, location and nature of business. Prepared to travel extensively to get the job done.

ISLANDS Wide range of offshore services incl. the establishment, management and administration of Jersey and other offshore companies and trusts. Please contact

Clive Guillou BSc. ACA at Asbury Management Services Ltd., 3 Bath Street, St Helier, Jersey JE2 4ST, C.1. Tel: +44 (0) 1534 507935

SAVE ON INT'L PHONE CALLS: USA only 24p per min Australia 40p per min

Ask about our low rates to other countries: kallback Freephone. Call: 0800-96-4016 Fax: 0800-96-4015 Call USA: 1-206-216-6161 Fax USA: 1-206-216-6262 410 2nd Ave W., South, WA, 96119, USA

YOUR ADDRESS IN NEW YORK from \$1/day. Tel/FactMai & more. Tel 212 972-9617 Fax 212 972-9637 E-mail:

Save 50% On International Phone Calls

Stop Being Over-Charged! Start Saving Money TODAY! UK-Australia Save 30% - 29p/min UK-Brazil - Save 40% - 71p/min UK-Canada Save 30% - 22p/mis UK-Hong Kong Save 40% - 44µ/min UK-Israel - Save 30% - 68p/min UK-Jupan - Save 50% - 44p/mia UK-N.Zeulond - Save 25% - 39p/min UK-Singapore - Save 50% - 39p/min UK-S.Africa - Save 40% - 59p/min UK-USA Save 40% - 17p/min Savings Compared To B.Telecom CALL NOW FOR OFTAILS!

Fax 0181-568-2831 Dial International UK

OFFICE EQUIPMENT

OFFICE FURNITURE

Due to city bank order postponement we have a large quantity of quality executive and system ranges -conferences and receptions.

London Showroom for viewing Please contact

All Advertisement bookings are accepted subject to our current

The Financial Times, One Southwark Bridge, London SE1 9HL Tel:+44 0171 873 3223 Fex:+44 0171 407 5758

COMPUTER CO MOVES SURREY H.Q.

Large quantity of quality furniture project & paragon L/oak desks rosewood desks giroflex chairs, reception seating. Large cupboards & conference tables. All in very good condition may be viewed in Kingston or in the City.

> RING 0181 549 4848

NORTH OF ENGLAND 01642 223353

OFFSHORE TRUSTS, COMPANIES BANK INTRODUCTIONS, NOMINEES BANK INTRODUCTIONS, NORMANDESS & ADMINISTRATION BY UK LAWERS NORMAL PROSPRING TO JAZ. ANGESTRATE IN SPEECH CHOON MEETS 6165.00 E SELE OF BLANK E 195.00 E JERREEY THE STREET LAWARE LLC 6495.00 E JERREEY THE STREET LAWARE LLC 6495.00 JERSEY C295.00 SCF LONDON OFFICE 正华171 SE2 2274 FOX 44 171 S73 9683 UK FREEPHONE 0800 262856

OFFSHORE COMPANIES

BY LAWYERS

IMMIGRATION

& TRUST EXPERTS

USED TYRES

We supply quality PARTLY WORN CAR and TRUCK tyres. Also CASINGS (for remoulding) in

ALL SIZES, WORLDWIDE.

.. _ A complete professional service. For quotation please fax sizes of interest to ENGLAND Far: +44 (0) 1482 221731

PRODUCT FOR SALE VERTICAL CNC MACHINING CENTRE

Product with proven track record. Over 500 machines sold worldwide Current Order Book. Full technical package, customer tists, spares, laser inspection quipment, drawings for future development.

Further details available from: J.T.F. Law & Company Limited, P.O. Box 1, Uphampton, Ombesley, Nr. Droitwich, Worcs, Witt Ol.N. United Kingdom. National TEL: 01905 521212

Does your business need equity capital? VCR Bostom Angels have £20k-£2m to invest in start-ups/expansions. 781-665(\$79999) BEST-PRICES WORLDWIDE Sogn, Urea, Country, str. Fast SANDTON +44 171 371 7071

Your company can achieve additional growth in 1995 by adding proven product Many PLC's and companies have achieved success with our programme since

PARTNER to assure development and/or

Make money from Ostrich

0260 298441

INVESTMENT BANKERS to deal with high net worth individuals, banks, traumines co, and tunds. Excellent compensation and

PROJECT AND COMMERCIAL funding mails in the life and intermediated elients. And American Group Ptc. Tel: 01824 201 385 Fax: 01824 201 377

BUSINESS EXECUTIVE ACA

NTERNATIONAL SPORTING EVENT

FOR PURTIES DETAILS

Tel: 01273 834315 (OFFICE BOURS)

ARGENTINA

This vast and growing market

needs quality British products.

We act as principals or agents

and have an Argentine office.

INTERTRADE ASSOCIATES

141 Heath Drive, Chelmsford, Essen CM2 93X, Eng. 01245 35-3000

CHANNEL ISLANDS

Offshore Company Formation and Administration. Also Liberia.

Panama & BVI etc Total offshore

facilities and services.

For details and appaintment write Croy Treat Ltd., Belmost House, C.L 2-6 Belmost Rd. St Reline, Parsey, C.L Tel: 1534 78774, Pars 5534 35401 Tix 4192227 COFORM C

NON EXECUTIVE DIRECTOR with broad

menegement experience is now in a position

meregement expensives some position in to take on one or more directorships in interesting growth companies. While to Box B3888, Financial Times, One Southwerk

AUSTRALIA/NEW ZEALAND Both of

BUSINESS GROWTH

1979 and full details are available from:

ADVERTISING AND PRAGENCY

an Publicitas, Postfach 3575, 1211 Genève 3.

PORTFOLIO FOR THE 906" ming without the need for land expertise or commitment.

We do it all for you.

these sconomies are experiencing very test growth. If you seek representation please cell 0181 958 5712. SMALL GENERAL PRINTING BUSINESS for mile South London, Write to box 83889, Financial Times, One Southwark Bridge,

Landon SE1 SHL Principals only

BUSINESS SERVICES

CORPORATE FINANCE ADVICE/ NON-EXECUTIVE DIRECTOR

20 year international investment banking veteran, focusing on corporate finance advice/mergers and acquisitions, has decided to "go it alone". Seeks a range of advisory assignments and non-executive directorships with companies or their subsidiaries/divisions looking to develop their core competencies organically or by acquisition and/or divest non-

Will give general strategic or specific advice related to deal origination and execution, sourcing of capital and appropriate financial structuring, together with genuine "hands-on" long-term counsel. No axe to grind, therefore totally objective and cost-effective advice provided.

Please write to Box B3880, Financial Times,

One Southwark Bridge, Loodoo SEI 9HL

JERSEY

CHANNEL

Fax: +44 (0) 1534 507936

LONDON, SE1 SHL

Large choice of veneers: (Walnut, Rosewood, Ash etc.)

LINEABURO LTD Tel: 0992 504530

FREEPHONE: 0500 821565

with discount of up to 40% from R.R.P.I.

ferms and Conditions, copies of which ere available by writing to: The Advertisement Compliance Director

OR

BUSINESSES FOR SALE

GARRICK

INVESTMENT OPPORTUNITY

Consumer packaging with high visual impact:

- * Plestics container
- manufacturer State-of-the-art equipment
- * Modern factory with expansion potential
- * Blue chip customer base * Year 1995/96 projected profit £ 1m

DAVID GARRICK LTD 1 de Walden Court 85 New Cavendish Street London W1M 7RA Tel: 0171 631 0659 Fax: 0171 436 4311

THE STATE OF THE S

CHOICE OF XYXXXX

For further information, contact: Devid Baxter or Roger Brown

EAST SUSSEX

WINSTON MANOR HOTEL, CROWBOROUGH

Hotel & Restaurant on main road with extensive Conference/Function facilities. Leisure club with private membership. 54 en suite bedrooms. Function facilities for up to 300. T/O year end 31.1.94-£922,130 exc. VAT.

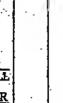
FREEHOLD-Offers in excess of £1,500,000

On the Instructions of Mr J A G Alexander of Pannell Kerr Forster. Administrative Receiver, F & M (Hotel Management) Ltd & St Brelades Property Co Ltd.





SURVEYORS, VALUERS & AGENTS Contact James Richards or Andrew Payne





LONDON OFFICE 0171 486 4231



(In Administrative Receivership)

- The Joint Administrative Receivers, J. B. Atkinson and A. P. Peters, offer for sale the business and assets of the above joinery company. Situated in Birmingham, -1 mile from M6 and Spaghetti Junction.
- Established business with annual turnover of approximately
- Freehold property with 25,000 square feet of production space and attached office accommodation.
- Skilled workforce of 30 joiners. ■ CAD drawing office with air conditioned working environment.
- Production facilities capable of providing high quality bespoke and specialised joinery items.
- For further information, please contact Joe Atkinson, Duncan Morris or Greig Mitchell at Touche Ross & Co., Colmore Gate, 2 Colmore Rose, Birmingham B3 2BN. Tel: 0121 200 2211: Fax: 0121 695 5555:

BUSINESS FOR SALE

PERFORMANCE

ENHANCEMENT AND

CONTROL BUSINESS

Software based audit and control business with:

E Unique besooke software.

Dominant market position.

Excellent client base.

Recurring, contract-based income.

■ Forecast profit before tax £350,000.

An SFA Member

Potential purchasers please write to Tim Lyle at:

Livingstone Guarantee Pic

Venturon Ltd

(In Administrative Receivership)

sale the business and assets of this electronics and software engineering company specialising in control and monitoring processes through its telemetry capabilities Unaudited tumover for last 12 months

approximately £750000 Quality export customer list

SPECIALISTS IN ACQUISITIONS AND DIVESTMENTS

- Modern treehold premises totalling approximately 4000 so it situated in North
- For further information please contact Chris Hill, Ernst & Young, City Gate, Toll House Hill, Nottingham NGI 5FY, Telephone: 0115 958 8000.

IJ Ernst&Young

and Water to rains on Investment business

GREEK EXPORTS S.A.

(A Subsidiary company of "E.T.B.A. A.E.")

ANNOUNCEMENT

OF A REPEAT PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR PURCHASING

THE ASSETS OF "GABRIEL - SPINNING & WEAVING MILL OF NEO

PHALERON A.E." NOW UNDER SPECIAL LIQUIDATION

GREEK EXPORTS S.A., established in Athens at 17 Paneplatinous Street, and legally represented, in its capacity as special liquidator of GARRIEL - SPINNING & WEAVING MILL OF NEO PHALERON A.E., in accordance with Decisions No. 854/1.12.1994 and 74/23.1.1995 of the Piracus Court of Appeal, and following the written statement (ReLNo.974/EX/23.3.95) of the creditor of para. I of art. 462 of Law (89/29) to the effect that the offers submitted were deemed unsatisfactory by the creditors and, in accordance with para. II of

a Repeat Public Auction for the Highest Bidder for the purchase of the total assets, either as a whole or each of the four separate entities indicated below, of the company entitled GABRIEL - SPINNING & WEAVING MILL OF NEO PHALERON A.E. remarks at 76 Athens-Firacus Street at Neo Phaleron, Attica) within the framework of article 46a of Law 1892/1990, supplemented by article 14 of Law 2000/1991 and modified and completed by article 53 of Law 2224/1994.

ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY

Detailed information on the company's assets included in each entity is to be found on pages 35-36 of the Confidential Offering Memorandum to which yet are referred, it is to be noted that at the "GABRIEL" trade mark the total claims by the company as well as the furniture and equipment in the Thestalemiki agency and in the Rollithes warehouse are included in the assets of the first entity and b) the

TERMS OF THE AUCTION

interested parties are invited to receive from the Liquidator the Confidencial Offering Memorandum dated 2/2/1995 and the draft Lette
of Guarantee in order to submit a scaled, binding offer to the Kalithea notary public assigned to the auction, Mrs. lordena Mertonio

Offers must be submitted in person or by a legally authorized representative. Offers submitted beyond the specified time limit will no

Each interested inversor can submit eather one had for all the elements of the company's assets, or separate bids for the purchase of one

The offers must state clearly if they concern the whole of the assets or separate emities, the offered price and manner of payment (in cash or on credit, the number of installments and when they are to full due, etc.) If there is on mention of all the naturer of payment, b) whether the installments will be an interest or not, then it will be assumed that all the amount will be paid in cash, and that b) the

installments will bear interest at the rate in lords for Greek state bonds of one year's duration on the date of submission of the offer.

Offers must not contain terms upon which their bindingness may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other essential matter concerning the sale. The liquidator and the creditors have the right, at

others.

On genalty of invalidity, offers must be accompanied by a letter of guarantee from a bank legally operating in Greece, of indefinite duration, to the amount of two hundred and ten million drachutas (Drs. 210,000,000) if they concern the whole of the company's assets. If they refer to separate eathlies then the amounts are as follows: at ainest million drachmas (Drs. 90,000,000) if the offer concerns the main factory complex on 76 Athens-Piraeus Street at Neo Phaleron; b) fifty million drachmas (Drs. 50,000,000) if it concerns the factory on 3 Davaki-Pindon Street, Neo Phaleron; c) forty million drachmas (Drs. 50,000,000) if it concerns the factory at Nea Lampsala, Chalkis; and d) thirty million drachmas (Drs. 30,000,000) if the offer concerns the continuity as stocks.

Forfeiture of guarantee; in the event that the party to whom the assets for sale have been adjudicated fails in his obligation to appear and sign the relative contract within reventy (20) days of being furtied to do so by the Liquidator, and abide by the rebligations contained in the present announcement, then the amount of the guarantee stated above is forfeited to the Liquidator occurr expenses of all kinds, time apent and any real or paper loss suffered by himself and by the creditors with on obligation on his part to provide evidence of such loss or consider that the amount has been forfeited as a penalty clause, and collect it from the guaranter bank.

Return of letters of guarantee, Letters of guarantee submitted for participation in the sucrious shall be returned in separator of the final content.

spective buyers must subunt, together with their offer:

<u>A five-year localons plan of section</u> for the operation, modernisation and development of the enveryment

udelines for the liquidator in judging the offers are, among others, the following:

The height of the offered price.

An investment greatest the cheight and type of new investments, time-plan for its implementation and menner of Personnel employment policy and programme for guaranteed Job positives lummber, duration, time-plan). Duta concerning the interested buyers with regard to their financial standing and their business activities to date.

et The height of the offered price.

1) The number of guaranteed job positions for at least the first five [5] years after signature of the contract.

1) The buyer's business plan and investment programme.

2) The reliability, solvency and business experience of the prospective buyer.

2) Any benefits accorded by the prospective investor to the unit's personnel.

3) Guarantees provided by the buyer for any part of the sale on credit and for other obligations undertaken (job positions, new investments, etc.) through the contract.

10) The highest bidder is the one whose offer has been evaluated by the liquidator and judged by the majority creditors as being the most credit-group.

is from the case of signature of the contract, and all points contained in the business plans of prospective buyers (job positions, ght of investments, time of starting, cic/ as well as other terms agreed upon, the buyer must accept relative clauses and provide transfers which will ensure adherence to all undertakings. In order to secure any part of the payment on credit (beyond the other transfers provided) the buyer shall deliver to the highidating company a letter of guarantee from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company a letter of guarantee from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company a letter of guarantee from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company a letter of guarantee from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company and the cost of the buyer shall deliver to the highidating company at letter of guarantee from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company at letter of guarantees from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company at letter of guarantees from a bank to an amount of at least 20% the cost of the buyer shall deliver to the highidating company at letter of guarantees from the buyer shall be a shall b

is operating or not.

The Liquidator, the Company under liquidation and its creditors who represent 51% of its total obligations, are not liable for any legal or actual faults or any incomplete or inaccurate description of the assets for sale in the Offering Memorandum.

Interested buyers must, on their own responsibility and due care, and by their own means and at their own expenses, inspect the object of the sale and form their own judgement and declare in their buts that they are fully aware of the actual and legal condition of the assets

for sale.

16) The Liquidating company and the Creditors bear no responsibility or obligation towards participants in the anction, both with regard to the evaluation of the bids, the selection of the highest bidder, the decision. If any, to cancel or repeat the anction and any other decision in general regarding the procedure and execution of the anction. The submission of a binding offer does not imply any right in the adjustication of the sale and, in general, participants on to acquire any right, claim or demand from the present amnouncement and from participation in the anction, against the liquidating company or the creditors for any cause or reason.

17) All costs and expenses of every nature for participation in the anction and for the transfer of ownership, as well as all taxes, duties, does, state feets or third party feets that may be imposed (beyond the exemptions foreseen by law) relating to participation in the suction and to the sale contract, anything following the sale, transcriptions and any other acts, are bonne exclusively and alone by the interested buyers and the highest bidder respectively.

18) Participation in the proclaim implies acceptance by the prospective buyer of all the above terms of the present announcement.

rs and the inguest countriespectures. Comparison is prospective buyer of all the above terms of the present announcement, present announcement announcement has been drafted in Greek and in English in translation. In any event, the Greek text shall prevail,

For any further information and for the Confidential Offering Memorandum, interested parties may apply to:

234 Syngrou Ave, Alberts, Greece, Tel: +30-1-952.5540-9 Fax: +30-1-956.8782

17 Pancylstimiou Street [1st floor), Athens. Greece, Tel: +30-1-324.3177 - 115 Fax: +30-1-323.9185 INDUSTRIAL RECONSTRUCTION ORGANISATION.

1.3) The Company's assets and all the separate fixed and circulating assets that make them up, such as immovables, movables, claim etc, whether they are to be sold as a whole or as separate entities, shall be transferred "as is and where is" and, more specificational and legal condition and wherever they are on the dute of signature of the final contract, regardless of whether the (

on, except for the letter of guarantee of the highest hidder to whom it shall be returned on separature of the final contract.

of Guarantee in order to submit a sealed, blading offer to the Kalithea sourcy public assigned to the aucusoa, Mrs. Iordan (24 Hardaou Tritoupi Street, Athens, 5th floor Tel. 3: Fax: +30-1-362.6788) up to 1200 hours on Thursday 27 April, 1995

The offers will be overed before the above-mentioned notary on Thursday 27 April 1995 at 1300 bours with the liquidator in an

GABRIEL - SPINNING & WEAVING MILL OF NEO PHALERON A.E. is a perpendicular and adaptable spinning and weaving produces synthetic, mixed and woollen yarus, cluthing material and hairwest. It has a dyeing - finishing installation for a knitwest, substantial technical know-how and a constant presence in the Cabica market where it has a good reputation.

machinery 158 spindles, etc. 1 which is in the factory of PIRAINI-PATRAINI CHALKIS WEAVING MILL A E is inclu-

The company's assets for sale consist of the following four (4) self-contained units which are for sale either as a whole or each sep First entity: The company's main factory building (spinning & weaving mill) situated on 76 Aubeus-Piracus Street at Neo Phaleron. Second entity: The factory for processing yards and materials (dycing-finishing) situated at 3 Davaki-Pindou Sweet at Neo Phaleron.

Third entity: The factory producing wordlen and symbolic yarres in the Nea Lampsaka area of Chalkis.

Exercise continuity: Stocks of raw materials, ready and half-finished products, etc.

Dedicated graduate workforce

PRECISION ENGINEERING BUSINESS

Business

Marketplace

The Comprehensive

International Business

Opportunity Magazine

Businesses For Sale,

Businesses Wanted,

Finance Needed,

Auctions, Tenders,

Investment Properties,

Agents Wated and

Much More.

TO ADVERTISE OR

SUBSCRIBE CALL

Tel: 01753 891000

FAX: 01753 880342

Opportunity to acquire thriving Coach and Tour Operator. (S.England). Strong

nagement in place, tumover

oaching £4m. Good profits and

asset base plus positive cash flow.

Suitable expansion existing operate (TOMS efficient) or C.G.T. rollove

All confidences respected

and expected

Box: B3674, Financial Thues. One Southwarf

Bridge, London SE1 9HL.

Magazine

Publishing Company For Sale

Five monthly titles

plus regional

leisure guides.

Box No. B3678,

Financial Times,

One Southwark Bridge,

London SE1 9HL

FOR SALE

Retailer of outdoor clothing

and camping equipment. Operating in Midlands

Contact: Patrick Loftus BINDER HAMLYN Norfolk Street, Manches M60 EBH

Tel: 0161 - 831 - 7121 Fax: 0161 - 832 - 0536

Tribol International Limited

The Joint Administrative Receivers, Edward Klempka and John F Powell, after for sale the business and assets at this Teeside manufacturer of precision engineered medical prosthetics, including replacement hip and knee joints.

Principal features of the business include

FOR SALE

Turnover Approx.

£1.3 Million.

Profit Approx. £210,000.

Excellent Potential for

- الدور الاسال

South London Location.

Desire Doract.

Daniel B.Myers FCA
Cohen, Arnold & Co.
13/17 New Burlington Place
London W1X 2IP
Telophone: 01/11 734 1362

SOUVENIRS/GIFTS

One of the countries leading supplies

to mejor retail groups etc. Sales 9550,000 pa. Highly profitable. Huge

retiring. Net assets approx £200,000.

Price £295,000 for quick sale.

Tel: 0171 493 0073

Face 0171 499 2312

andon location. Owner comfor

For further information

- Operates from new leasehold premises at Teeside Industrial Estate, Thornaby Wide range of CNC machining centres and lathes
- Sidlied warkforce
 Scien of \$0.5m plus per connum, UK and export
 Blus chip customer base.

For further information, please contact Simon Politard or Alison Wildespin of Coopers & Lybrand, Albian Court, 5 Albian Piece, Leeds LS1 6JP. Telephone: (0113) 243 1343, Fax: (0113) 243 4567.

Coopers & Lybrand is authorised by the Institute of Characted Acc England and Wales to carry on Investment Business.

Acre House, 11-15 William Road, London NW1 3ER LIVINGSTONE GUARANTEE THE ACQUISITION & DISPOSAL SPECIALISTS. .

CONTRACT FLOOR INSTALLATIONS LTD

The Joint Administrative Receivers, P M Lyon and G E Blackburn offer for sale, as a going concern, the. usiness and assets of the above company.

- Freehold warehouse & offices. Turnover year ending May '94 £1.1million:
- Central Nottingham.
- Skilled workforce.
- Order book approximately £120,000. For further information please contact Philip Lyon or Elaine Masters act- Kidsons Impey, Park House, "
- Kirtley Drive, Castle Marioa. Nottingham, NG7 1LQ. Tel: 0115 947 3002. Fax: 0115 947 3062.



FOR SALE

CLOTHING MANUFACTURING COMPANY

Current Order Book £2m Projected Sales £5.5m Forecast Profits £400k Net Assets £500k Substantial Tax Losses

Owners seek outright sale or merger with similar company

Please respond to Box B3887, Financial Times, One Southwark Bridge, London SE1 9HL

FOOTWEAR MANUFACTURER

UK based footwear manufacturer for sale. £4m+ T/O.

Blue chip customer base.

Write to Box B3677, Financial Times, One Southwark Bridge, London SE1 9HL

FOR SALE

profitable established litho printing business turnover approximately 650K per annum.

One Southwark Bridge, London SEI 9HL

Written enquiries to Box B3673, Financial Times,

BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact Melanie Miles on +44 0171 873 3308 Karl Loynton on +44 0171 873 4780

&Lvbrand

PRECISION ENGINEERING BUSINESS

Levis Present Spirements intitre

The Joint Administrative Receivers, Edward Klemples and John F Powell, offer for sale the business and assets of this Leeds based manufacturer of perospace and defence industry engineered components.

- Principal features of the business include: 7,000 sq it long leasehold factory, adjacent to motorway, near central Leads Wide range of CNC mackining centres and lather
- Skilled worldorce
 Soles of SO.5m plus, per onnum Blue chip customer base including BAs, MoD, BMFL.
- For turiner information, please contact Simon Policed or Alison Wilderspir at Coopers & Lybrand, Albion Court, 5 Albion Pices, Leads LST 6JP. Telephone: (0113) 243 1343. Fox: (0113) 243 4567.

Coopers & Lybrand is authorised by the Institute of Chartered Accounts
England and Wales to carry on Investment Business.

Humberts Leisure

Western Scotland

- Health and fitness club
- City centre location · Extensive gyms & health spa
- . * Approx. 1,000-1,500 members
- Profitable trading history :

 Business growth potential . . . For sale complete

Genuine interest only please. 25 Grosvenor Street London W1X 9FE Tel: 0171 629 6700 Fax: 0171 409 0475

MATURE FINANCIAL SOFTWARE COMPANY Opportunity to acquire Controlling Interest

Profitable UK-based company with turnover in excess of £1m. Development and implementation of inicro-based systems for distribution of information across LAN's and WAN's Global user base and recurring revenue stream. Of interest to Principals with sales and marketing resources, and growth aspirations. For further details contact Baker Tilly, 2 Bloomsbury Street, London WC1B 3ST, quoting reference PAS2. Pex No. +44 (0)171 413 5101



Authorised to carry on audit work and authorised to carry on invisioners burning by the Institute of Chartered Accountants in England and Wates.

FOR SALE

Very successful Service Industry Business in Southeast England with excellent track record for over 10 years.

PRE TAX PROFITS - £600, 000 to £1,000,000 plus Scope for substantial expansion Good in-house Management but

Owners wish to retire. Would consider any reasonable propositions.

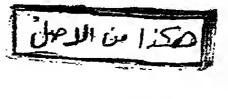
Please Write to Box B3679, Financial Times, One Southwark Bridge, London SE1 9HL

AUTOMOTIVE PARTS MANUFACTURER

Located in Spain, in very well communicated zone near important city. Manufactures stamped and mechanised steel parts with high resistance and quality. Capability 3,500 Th per year. Main clients as SEAT (VW GROUP), GENERAL MOTORS, CITROEN, VALEO, ROBERT BOSCH, PEUGEOT, etc. Turnover (1994) 7,000,000 US\$. Exports to Common Market 40%, Sales Estimate 1995: 8,500,000 US\$. Audits by Coopers & Lybrand. Write: Joaquin Bachs, C/Maldonado, 46, 1°4°. (28006) Madrid Spain. Fax 0034 1 3090060.

DIVERCO Sell Companies Nationwide

SELLERS and BUYERS Contact in confidence DIVERCO LTD. 4 Bank Street, Worcester WR1 2EW Tel: 01905 22303



eed is

Renewated

FINANCIAL TIMES SURVEY

AN A-Z OF EXECUTIVE EDUCATION

Tuesday April 4 1995

Need is growing for strategic visionaries

The management education sector has survived the recession with few outward scars and the immediate outlook is encouraging, writes Tim Dickson

"It's no longer simply about putting backsides on seats. It's about selling companies and individual managers a lifelong educational partner-

APRIL 1

the suppose

Marie Marie Commission

of mystery or or or

ALLES TO THE REAL PROPERTY.

A STATE OF THE STA

CISION ENGINEERING

recision

his Limited

the state of the state

AND THE PROPERTY OF THE PROPERTY OF

Leisun

tamess club

e compile te

End that Laures bille.

16 - C-

76 77

ppropriately perhaps. it was a marketing professor who last month summed up the current challenge for European business schools in

Implicit in the observation - made to middle and senior ranking executives in Switzerland - was the acknowledgement that fastmoving markets, changing technologies and more demanding customers are not just academic niceties for the professor and her peers. The management education industry itself has become a laboratory for its own ideas.

The current turmoil, of course, is not visible in the form of mothballed lecture theatres, redundant academics, or even the wholesale transfer of teaching activities to cheap, "offshore" locations.

Campus costs have certainly come under pressure, executive backsides for some courses are in short supply, and the flood of young business professionals wanting to study for the Master of Business Administration qualification has, at least temporarily, been

Thanks in large part to the income from companies schools for help in imple-menting their "change" need to be strategic visionstrategies, however, the management education sector has survived the recession with relatively few outward scars.

The immediate outlook is also encouraging. As growth prospects brighten, demand for managers with international horizons. broad skills and a clear vision - attributes that the hest schools claim to provide - is greater than ever. If the tight clamp imposed on training budgets is loosened even a little, enlightened companies should start practising what they preach and invest more money in people.

The structural changes in the market for executive education, though - changes which are likely to intensify - are already altering many traditional new pressures even on fleet-footed institutions. The changes include demands for shorter and more relevant courses, the impact of new technologies on teaching methods, the onus on managers in organisations to take responsibility for their own career development and the fragmentation and increasing rivalry among trainers, developers and educators.

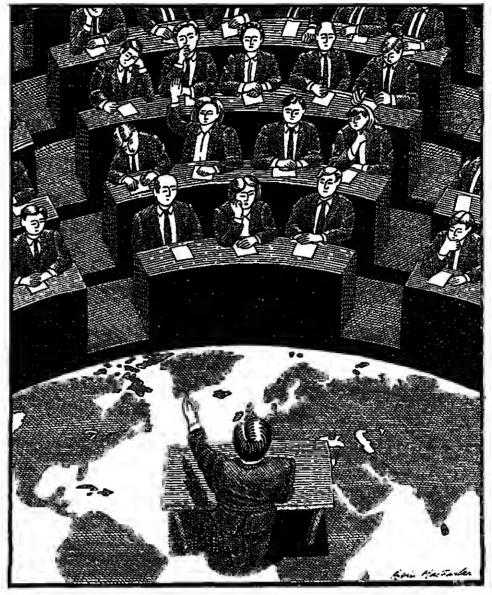
All these trends to some extent stem from recent changes in the nature of management itself: to a more complex, more amhigwhich turned to business nous, more demanding Mike Osbaldeston, chief

aries, empowering other people to cope with the challenges that lie ahead. increasingly, however, they are also expected to be able to implement and deliver results immediately.

Reliable figures showing the size of the management education industry simply do not exist. Much of the money spent on executive training - probably the bulk of it - is in effect "hidden" in the training budgets of those hig compa-nies, such as IBM, which run regular "in house" courses. Such courses are typically led by a mixture of company representatives, consultants and hand-picked academics.

Business schools have traditionally been the main "outside" suppliers of management education, offering assumptions and imposing a combination of "open" courses (to which anyone can apply) and so-called company specific programmes, typically involving a management team from a single business. The recession of the early 1990s substantially shifted the schools' product mix towards these "tailored" courses aimed at companies which want their specific problems and challenges and those of their industry

- kept in sharp focus. "For the first time in our history these programmes have reached 50 per cent of our total income," says Mr



executive of Ashridge in the UK. "I would not be surprised if it gets to 60 per

cent this year."
Cranfield University School of Management, also in the UK, reports a similar trend. Since 1989 the school's income from executive education has doubled and represents 52 per cent of its total turnover. Of that income, more than two-fifths comes from incompany programmes.

Mr Antonio Borges, cur-rently co-dean at Insead but due to take sole charge at the Fontainebleau-based husiness school later this year, expects competition for company specific programmes to intensify in the next few months as more players, notably accounting firms and management consultants, enter the market.

Gemini, Andersen Consult-

ing and Arthur D. Little are

among those already

encroaching on traditional business school territory. Management consultants

through their consultancy assignments - have the perfect springboard for developing and selling training programmes into individual companies.

As in every industry, the winners will be those who not only respond to - but correctly anticipate - client

Short "open" programmes

A foot in two camps

in which managers can usefully mix with peers from different industries and different cultures -

will no doubt survive under

a business school banner. increasingly, though, companies are pooling resources and forming con-

sortia to meet their own management education

needs. "In part, this is

driven by a recognition

that companies have much

to learn from each other

and that exposure to the

ways of other businesses is

one of the most effective

methods of genuinely hroadening horizons," says

Mr Michael Hay, dean of

executive education at Lon-

Flatter management structures pose an addi-

tional challenge for compa-

nies and educators alike.

Traditionally programme styles and content have

been predicated upon clear

organisational hierarchies:

the more senior you

became, the more general

the approach to learning.

Today, however, manage-

rial roles are defined less in

terms of the levels in an

organisation, more in respect of areas of activity

and capability. The terms

middle and senior manager

can mean vastly different things in different compa-

An increasing emphasis

on cross-functional think-

ing in hig organisations, moreover, means that the

traditional courses on, say,

marketing, finance or

human resources are only

of interest to low-cost pro-

viders. Integration (provid-

ing a more holistic view of

the enterprise), internation-

alisation, innovation and

implementation are the

1990s buzzwords in course

design - hut as one husi-

ness school dean recently

insisted: "The one thing you can't do is to keep run-

ning the same programmes.

don Business School.

ACADEMICS

Getting academics to do anything is, in a famous phrase, equivalent to herding cats. Business academics are no exception.

The system of tenure gives senior academics complete autonomy. Most like to make full use of it. But business academics bave a foot in two camps - the real world of business and the equally real, if occasionally more abstract, world of academe.

This dual role is best exemplified by the frequent criticism that business academics concentrate on narrow, escteric research with little rele vance to business. There is some truth in that, and many academic institutions will go out of their way to show that their research is immediately relevant to business and to emphasise how much stress they place on teaching ability.

But the importance of nar row research is not solely the fault of academics. The rules of the academic game are that if they are to progress in their careers they must demonstrate published original research. One way to be original is to be esoteric.

Although some institutions make great efforts to reward teaching skills, there are relatively few academic plums for being an effective, likeable and amusing teacher.

But, of course, teaching skills are what the paying customer wants (as well, it is true, as access to leading edge research). Organisations offering management development programmes are increasingly careful to eosure they offer

Academics are usually evaluated by the students they teach and a growing number of institutions publish those evalua-

FT 4/495

iness

Continued on next page

Continued on next page

Listed as one of the world's top 20 leading institutions for executive education by Business Week magazine

Originally established by business leaders to serve the needs of practising managers and their organizations - a mission that still holds true today after more than 35 years' experience of successful development

why choose Ashridge

Now offers a flexible set of client-oriented services including executive development programmes both 'open' and tailored in-company programmes, qualification programmes (one year and two year MBA programmes) - as well as consulting and action-based research activities

Renowned for its innovative approaches to learning, and professional staff who are enthusiastic about sharing their own significant management experience and responding to Individual development needs.

> We have a great deal of knowledge and experience to share, but first we would like to hear from you about your future development requirements. So why not give us a call! Contact Christine Brown on +44 (0) 1442 841015 or fax +44 (0) 1442 84 1209



Ashridge Management College Berkhamsted Herts HP4 INS

Ashridge is a charity no.311096

Ranked as the number one European management development centre in a recent MORI poll among the UK's top personnel directors

A world class MBA **Programme** requires sacrifices. Fortunately, your job needn't be one of them.

At London Business School, we understand that although you may want an MBA to further your career, your commitments won't allow you to take two years off work to achieve it.

It is for this reason that we offer our Executive MBA - a 30 month, day-release programme beginning in January each year. Because it is a day-release as opposed to an evening course, you are learning when you are at your most alert, rather than trying to concentrate after a hard day at the office.

The Executive MBA Programme gives you the opportunity to enhance your management skills, under the leadership of an internationally renowned faculty and in the company of fellow students of exceptional ability.

Our next Information Evening is Wednesday, 5 April. To reserve a place, please call the number below. Alternatively, to receive a copy of our brochure, return the coupon or call the MBA Information Officer.

For further information, please attach a business card or write in block capitals to: The MBA Information Officer, London Business School, Sussex Place, Regent's Park, London NW1 4SA. Telephone: 0171-706 6859, Fax: 0171-724 7875. I would like to attend the information Evening on: 🗆 5 April 🗀 10 May 🗀 7 June (please tick one) 🗀 Please send information on the full-time MBA.

OMPANY		
DDRESS D home or G office		_ N FREE CO.
		Londor
OSTCODE	TEL	- Busine
LIMBER OF YEARS WORK EXPERIENCE	DO YOU HOLD AN UNDERGRADUATE DEGREE:	School

AN A-Z OF EXECUTIVE EDUCATION

A foot in two camps

Continued from previous page tions. Particularly poor

performers are likely to receive remedial help of some kind, either informally by colleagues or in formal programmes.
Only the best teachers

appear on executive development programmes. Facing a class of hardened managers is generally eccepted as a tough assignment. Younger academics are likely to cut their teeth on MBA classes - not something that MBA students, themselves a bard-nosed bunch, always appreciate. Another occasionally contro-

versial issue surrounding business academics is the fact that many of them also act as consultants. In most of their contracts they will have a specified amount of time, typically one day a week, in which they are free to pursue their own interests. This may involve research, writing, consulting - ie sharing their theories and ideas with a company in order to improve its performance or simply extra-mural teach-

There are two reasons for this freedom. First, by being in close contact with the business world academics in theory avoid the "ivory tower" syndrome and are able to bring real business issues into the classroom. Second, it allows them to top up their salaries and enables business schools and other organisations to attract top academics when their pay may be limited by

national pay scales. However, this freedom can bring problems. There is concern, for example, that freelance consulting by academics may hinder their organisatioo's ability to win consulting

Some top academics have established lucrative consultency work on the back of their academic renown, yet bring little back to the school that nurtured their success. Academics who teach outside their institutions may also stand charged with using the organisation's resources (such as their teaching materials) for

their own use. In some schools these concerns have grown to the extent that there are thoughts of making academics declare their outside interests in a way

not unlike that imposed on legislators. But all this is not to suggest that academics who business and management issues are not just as concerned as their counterparts in other disciplines with academic rigour and responsibility to

Moreover, acedemics in business schools have been the key players in imposing order on the essentially chaotic subject of management. They have provided real insights for practising managers, developed and passed on theories that have had immense positive benefits for companies and their employees, and inspired many managers to perform well above what they thought their capabilities to be.

Still life in Ps and Qs

ACTION LEARNING Though action learning is often used as a catch-all phrase to refer to a variety of learning approaches, it is a specific way of handling the development of managers end executives. It was developed in the UK

after the second world war by Reg Revans (originally in a report about training in the coal mining industry). Revans suggested that learning consists of two components. The first be called "programmed knowledge", or P, which is acquired formally from books and lectures. The second is "questioning insight", or Q, based oo experience and creattivity. The Q element is important is seeking solutions for unfamillar problems. Actioo learning plays down programmed knowledge, and the role of consultant or busioess school professor is usually that of group facilitator. However, it is also assumed that programmed knowledge is

absorbed during the process of defining, debating and solving a problem. Action learning takes place, therefore, between groups of managers who come together to discuss real problems. In the light of their experience (Q) and with some input of theory (P) from a facilitator, they seek to come up with a solution and tben, crucially, put it into effect. The group will also evaluate the results of that action. Action learning has been described as teaching people to



ss School runs a course for those who have just joined the board (see: Director Education)

"act themselves into a new way of thinking".
Surprisingly, this rather weolly and loog-established concept is finding increasing favour in the 1890s in business schools and consultancies -not least because in a time of change, few problems have historical antecedents. All solu-

on wide experience. In "pure" action learning, members of the group each bring a problem that the others seek to solve. This is typical of two programmes at Ashridge Management College - action learning for chief executives

tions require creativity based

and for women directors. Philip Hodgson, who leads the chief executive programme, says that, though they are highly effective at senior levels, action learning techniques can also be used lower down the organisational

Often, the question or problem that the group engages with comes from an external client rather than from within the group. In management development terms this may involve managers working as part of team on a project within a company to advise on a solution to a problem. Action learning techniques also appear frequently in tailored programmes designed for specific companies.

It would be wrong to suggest that the action learning approach is taking management development education by storm. Traditional lectures and case discussions still dominate. But for an idea now half a century oid, action learning is showing surprising life.

Clichés may be true

BROADENING

One of the key claimed benefite of management development programmes is that they "broaden" those who attend. This is said to be particularly so for general management programmes and especially for open, or public, programmes, where participants come from a wide variety of organisations.

The comment that "I learned more in the bar than in the classrcom" is a cliché; hut most cliches are true. The ability of managers to

mix and compare themselves with others and "take risks" in an environment away from colleagues and superiors is a key element in management development. Although mainly of benefit to individuals, it helps their organisations, too. Managers grow in confidence and perception and this should

translate into their performance hack in the But in-company programmes can have equally positive results. In a large organisation, few managers know all their peers. Bringing them together, especially if programmes are

run in a company training

centre or hotel, can reproduce

most of the benefits of open

programmes. And an added advantage is that managers can establish an intra company

network.
Broadening was probably the key component of general management programmes a decade ago but Arnoud De Meyer, associate dean for executive education at Insead in France, detects a trend that

may be affecting that. "Broadening is still an important issue," he says, "but increasingly managers want something they can take back to their offices and use next week. So programmes have to be a bit more action-oriented."



Teaching at the top

Providing management devel-opment for the top man or woman in a company is an exercise fraught with diffi-

culty.
Within companies, senior human resource executives or others concerned with management are very unwilling, as one has put it, "to tell them they don't make a very good role model or don't know anything about finance".

And providers of management development are also aware that executives at the most senior level do not really want a formal programme but issues with their peers - one reason why action learning type programmes are so popular at this level.

more an opportunity to discuss

Even so, programmes for chief executives are on the increase and there is a strong belief that development at this level is both needed and possible. Indeed, demand for such programmes reportedly rose during the recession as top managers began to realise their own volnerability. Mr Murray Steele, who leads

senior-level programmes at Cranfield School of Manage-ment, comments: "You can develop the top manager and there is a definite need to develop them it is a flaw in British management that assumes once you have a seat on the board you are beyond further development."

But programmes do have to be carefully structured. Essen-

tially, they aim for three things to get CEOs to stand back from their business and consider it more objectively; to examine their own management styles and, especially, to receive feedback from others on the programme, though some organisations also offer one-on-one assessment

More typically, the Haas School of Business at the University of California at Berkeley organises two-day execu-tive briefings where, by invitation, CEOs and other senior executives are brought together at a hotel for in-depth

briefings and discussions.
Consultants and other independent management development organisations also frequently offer this kind of

event.
For them all, though, the problem is often persuading CEOs to come along – and not just because of work pressures. They want to be sure they will be among their peers. The first thing they tend to ask is: "who else will be there?"

Harvest is nearly over CHERRY-PICKING

Cherry-picking is a phrase that describes the attempt by some companies to develop in-house development programmes simply by stringing together bits of open programmes. They decide on what they are trying to achieve; what sort across and then they go out to see where (usually a business school) it is on offer. They then cherry pick" the professors or lecturers they want and invite them to deliver their business school lecture inside the company. Since business academics,

of information they need to put

especially those with a name", can usually command high fees for such services and because little additional work is involved, the practice is notunpopular. Companies like it because it is cheaper to bring professors to a large class than to send large numbers of managers to open programm On the whole, business schools do not like it for the same reason - It can deny them

However, there ara suggestions that the era of cherry picking is coming to an end. Companies are demanding rather more than an off-the-shelf lecture. Management development is

increasingly seen as something closely geared to fundamental corporate objectives. So companies want programmes and even individual lectures that are finely tailored to their

specific needs. A recent survey by Ashridge-Management College, Trends in Management Development. reveals a decline in companies which are hiring "gurus" to deliver standard business school lectures and a corresponding increase in demand for personal needs development. . .

popular DISTANCE LEARNING

Superior

attitude DIRECTOR EDUCATION It can be a question of psychology when dealing with

something a course and directors won't attend, thinking courses are for subordinates. But use the word symposium or seminar and it's a different matter. Such terms smack of participation rather than straightforward learning. But Dr Carla Millar, director of the management development centre at City University Business School, doesu' believe that such an attitude is

director education. Call

aware of a need for training their staff, they often feel they learn by a process of osmos Directors, says Dr Millar, whose centre has a course comprising seminars for directors of audit in its Internal Audit programme. often prefer individual

consultancy.

Though there are several courses for director education at business schools and management colleges, the mast structured training is conducted under the auspices of the Institute of Directors. Its centre for director development runs over 40 short courses and workshops along with distance learning for directors covering issues involved in company direction and personal development. Qualifications offered include the IoD Diploma in Company. Direction and the Masters in

Company Direction, in-conjunction with Leeds Metropolitan University. Since last year new directors have been able to take part in a Joining the PLC Board course. The two-day course is run by Henley Management College, Manchester Business School and Ashrtdge Management College in association with the loD.

Flexible and

Distance learning is riding the waves of more modular structures in management education, the shift in emphasis to self-development, and the enthusiasm for continuous learning. Its sheer flexibility has made for a rapid growth in popularity.

. While the market leader in this type of cultion remains the Open University, several business schools and management colleges now offer. courses in the form of distance learning.

Not only does the facility give them students who would not have the time to undertake courses, it also encourages. overseas students. . .

Distance learning is already gaining currency fast for MBA study Last year the Association of MBAs estimated that 9,000 people were studying for an MBA via distance learning.



TEMPLE U./IGS INTERNATIONAL MBA France - USA - Japan



A one-year, full-time, tri-continent programme

Internationally-focused curriculum taught in English
 Fall semester in France (Paris or Lyon), Spring semester in Philadelphia, Summer externship in Japan

Executive mentoring programme
 Strategic-level consulting project

Bac+4, US BBA or equivalent, GMAT. Programme may last longer il business core courses required

Continued from previous page

market is very sophisticated; everyone is familiar with what was being taught two to three years ago." internationalisation has meanings management education these days - from the composition of faculty and student numbers to case study subject matter and general curriculum content. As business schools struggle

these areas, it is only natural that the sector itself should be becoming more global in character. Hence the growing interest

of North American schools in the European market - both as a short-term source of new

material. The University of Chicago Graduate School of Business, for example, began executive MBA Barcelona last year. Taught on a part-time basis in four two-week and six one-week modnies spread over 18 to prove their credentials in all months, the course is taught by the Chicago faculty and

> in June the Fuqua School of Business at Duke University is set to start a six-week global executive programme - in

Need for strategic visionaries

clients and a long-term three sessions - at sites in investment in fresh case Europe, south-east Asia and rally sceptical of the North offers four weeks of study with

student counterparts in puter conferencing

the Americas. Most intriguingly perbaps, the Michigan Business School, which claims to be the biggest executive educational establishment in the world, has announced that it is launching what it calls a global

MBA from next September. The idea is to bring together faculty, students end teams from Europe. Asia and the US using advanced communication technology; a combination of interactive video, shared application computing, electronic messaging and com-

European rivals are natu-Americans' international credentials - but, if nothing else. the Michigan initiative demonstrates that low tech teaching in the form of poorly produced slides and non-interactive hard copy cases will be insufficient

for tomorrow's world. If technical innovation is one imperative, another important business issue for schools is identifying their customers. Research into its 1994 open programmes carried out by Cranfield showed that in 53 per cent of cases the "suggester" was the participant himself or herself and in 30 per cent of cases it was the line manager. The training manager was only responsible for only 17 per cent of decisions. Increasingly, it appears, the onus is being placed on the

individual manager larly at more senior levels, to eppraise his or her own capabilities, identify areas where training is required and take the initiative in acquiring it. Such individuals these days

are both mobile and insecure participants often judge courses on their ability to provide skills which are transferable between organisations and they increasingly recognise that husiness education is an integral part of a manager's



Hard-headed approach

EVALUATION . . Given the amount of money that companies spend on management education, it is hardly surprising that there are growing calls for proofs of its benefits. The old adage about advertising is that companies know that half is worthless, but

Continued on next page

EXTEND and ENRICH YOUR SENIOR MANAGEMENT experience

Call or write Don Minday

Temple/IGS IMBA CEFAM

107, rue de Marseille 69007 Lyon, France

Tel.: (33) 72 73 47 83

Stepping outside your normal working environment and facing a new and real set of challenges enables you to extend and enrich your skills...an invaluable opportunity presented by the Manchester Business School Senior Executive Course. Acclaimed as one of the world's finest strategic

management courses, it reflects the distinctive philosophy which has given the School its international reputation using real-life projects from outside organisations as a focus for strategic analysis. For three weeks, spent in residence at the School, the course combines challenging practical exercises with incisive new thinking...20d provides ao opportunity for the exchange of ideas and emperience with other senior managers from different countries and backgrounds.

Manchester Busioess School also offers tailored company programmes, plus a range of short courses for scolor management eovering the latest thinking in areas including banking, finance and retail strategy.

Sentor Executive Course are run each year in y, May and September. maining 1995 dates are: 30 April - 20 May 1995

> 0 September 30 September 1995 Areas of study include:

The Business Environment Accounting & Finance Organisational Behaviour Effective Management Skills

> Marketing Strategy Strategic Management Participants should

ormally bace substantia nagement experience

contact Pam Ogden by phone

MANCHESTER BUSINESS SCHOOL TEL: (+44) 0161-275 6396 FAX: (+44) 0161-275 6582

30 YEARS OF EXCELLENCE

MANCHESTER BUSINESS SCHOOL

BOOTH STREET WEST, MANCHESTER MIS 6PB

MBA by

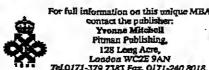
Distance Learning

A Unique

from Heriot-Watt University

The Heriot-Watt University MBA by Distance Learning is reputedly the fastest growing MBA worldwide. Created by the Esmée Fairbairn Research Ceotre et the University, it has attracted over 10,000 students from over 110 countries worldwide in just 4 years. Its rigorons and challenging quality is enhanced by many unique features:

- Winner of the 1994 Queen's Award for Export
- Certification in nine courses (7 compalsory plus 2. electives of your choice) will lead to the award of the
- Written by an International Faculty drawn from leading Business Schools in Europe and North
- · Full Distance Learning with no requirement for tutor
- Open Access no GMAT or first degree is
- Flexible no imposed study route
- Each of the modular courses is suitable for use separately to the MBA as means of personal development or as part of a corporate training plan
- No maximum intake: variable start date



Contact the published Yvonne Mitchell Pitman Publishing 128 Long Acre, London WCZE 9AN Tel.0171-379 7383 Fax. 0171-240 8018.



INSEAD

MBA Programme

Are you looking for a personal challenge? Do you thrive on diversity? Does "global" define your outlook? Is your career worth the best investment?

INSEAD MBA Information Session

at Merrill Lynch Ropemaker Place, London "Merrill Lynch's leadership in investment banking requires leaders with exceptional

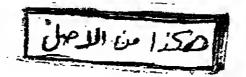
24 April 1995, 6.00 - 9.00p.m.

In building our strong teath of professionals in Europe, we look increasingly to INSEAD to provide individuals with the right insights. skills and interdictional perspective so match not only our demanding needs but also those of our clients".

Kevan Watts, Head of Investment Banking Europe, MERRILL LENCH

This information session hosted by Merrill Lynch, one of INSEAD's corporate affiliates, is open to all interested in the INSEAD MBA Programme. However, space islimited, and attendance is by invitation only.

SEAD Admissions Office, (GB3), Boulev. edex, France, Fax: (33-1) 60,72,42,00 or	ard de Constance, F-77305 Fountaineblean e-mail: ADMISSIONS@INSEAD.Fr
I would film to attend the information session I am not able to attend this event, but would	
ddress:	



AN A-Z OF EXECUTIVE EDUCATION

Hard-headed approach

From previous page

THE SDAY APRIL

A STATE OF THE STA

The same of the sa

E 1129

The state of the s

The state of the s

And the second s

THE STREET

A STATE OF THE STA

The same of the sa

A STATE OF THE STA

Flexible and

popular

MITTANCE LEARNING

The same wanted

The state of the s

Hard-neade

approach

Exercise 1

END THE .

Mary Compression

unfortunately not which half will not do in management

evelopment.
This hartier-headed approach has provoked a response. Traditionally, suppliers of management education have refused to provide companies with reports or feedback on the performance of their managers on a course. Companies were forced to administer their own post-programme debriefings, measuring career progression and personal visits to schools and institutions to get some idea of their effectiveness.

Now previders of management education are prepared to become much more involved. On tailored programmes espe-cially they will work closely with a client company to assess the benefits. Most have no option. Few companies would be content to start a new programme or continue with an old one without this kind of co-operation.

Open programmes are beginning to take a aimilar approach. Business schools and others that offer public programmes will sit down with companies to discuss the aims of particular programmes and the likely benefits to a company's managers and to its business. Many will offer advice on how to get the most from a participant's new knowledge and experience when they return to the company. At Ash-ridge Management College tutors visit participants in their workplace over a ninemonth period following a pro-

in the UK, probably one of the most detailed evaluation processes has been developed hy Sündridge Park Manage-ment Centre, bäsed in Kent. Sundridge's Performance Improvement Process (Pip) uses identical pre-course, postcourse and follow-up question-naires to elicit how much participants felt they knew about a subject before attending a programme, immediately after it, and three months later. Sundridge also uses the questionnaire results to identify parts of a programme that may not be as effective as others.

Clues for managers

FINANCE PROGRAMMES As a core subject for any manager, a vast array of courses awaits potential students. Open programmes, company

schemes and courses geared towards the manager unfamiliar with much finance along with those leading to recognised financial qualifications vie in a highly competitive

Business schools often work closely with financial institutions and standard setters on tuition and qualifications. City University Business School has one of the most extensive range of finance courses and largely targets those working in the City of London, in conjunction with the Securities Institute it teaches the Securities Institute Diploma and the Securities and Futures Authority's registered person's qualifi-cations. It hosts more generally hased courses too, including the Banking and Financial Management Summer School The International Centre for

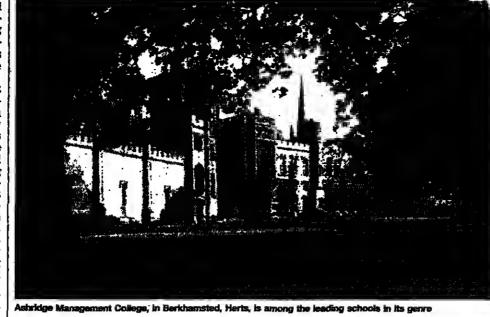
Banking and Financial Services at Manchester Business School works with the Chartered Institute of Bankers to run one-week credit pro-grammes, along with providing programmes for development for middle and senior management in financial services. In common with most business schools and management colleges, it also guides non-financial managers through the complexities of accounting and corporate finance, so that those not directly involved in the financial heart of a company will appreciata more clearly the financial impact of their business decisions.

London Business School says that many senior managers are emharrassed to admit that their financial knowledge is poor until they attend courses and find plenty of others are in the same position. Its financial seminar for senior managers is largely taught by the accounting faculty rather than finance so that the starting point is where most newcomers to finance will enter - the profit and loss figures.

G The alpha and omega

GENERAL MANAGEMENT PROGRAMMES These are not just the flagships of management education, they are the dreadnoughts. They are what management development is fundamentally about preparing individuals to take on broad management responsibility, usually after a successful period in a functional position such as a financial, technical or marketing man-

As such, they tend to concen-trate on two areas. They intro-duce managers to the other functional specialisations in which they have no expertise.



And they attempt to teach the basic elements of the interpersonal skills so essential to managing - leadership, team playing, negotiation and so on. The two are interrelated. General managers need a rea-sonable understanding of the technicalities of the various functions helow them; and they need to know how to interact with both subordi-

nates and their peers.

The growth of much flatter organisationa as a result of downsizing or delayering assentially removing several strata of middle managers has increased both the need for and the demands on general

managers. Most reputable organisations will offer courses suitable for individuals about to enter a general management position. The grandfather of them all, of course, is Harvard's Advanced Management Programme, which has a price tag well above \$30,000 for 11 weeks but also numbers some very distin-

Rule worth following

Some people will always try to treat executive education particularly sessions away from the office - as just another holiday. But these days they will almost certainly be the exceptions. While there is a strong case for creating a relaxed learning environment - by dressing down, for

instance, and allowing time for social interaction - a good course administrator will always ensure that there is a full and varied timetable. Those who routinely take their work home on the train will not be put off by "homework" - good preparation is essential to full involvement in the next day's discussion - but getting to know other participants on

an open programme for the planning to produce guides. The EIU last produced one (On Course for Success - covering Europe and North America) in first time (or even adapting to colleagues outside the company) can impose additional strains. The best rule to follow: For the most part, huyers the more you put in, the more (and potential participants) must scour bookshops or (as is often the case) rely on MBA guides for an insight into husi-

Teamworkers often clash

GROUPS

Most business schools combine class teaching and classroom discussion with work in smaller "groups" for both their MBA and executive courses. Take IMD in Switzerland. Typi cally, the 50 or so participants on its programme for executive development are divided into groups of five or six which, in turn, are used as the basis both for team-building exercises and more detailed dissection of case studies.

Team-building is often supported by the results of "type indicator" questionnaires, such as those devised by Katharine Briggs and Isabel Briggs Myers in the mid-1970s and later by Meredith Belbin. Learning to work with other people – and understanding individual strengths and weaknesses – is a key aspect of management development hut it can be painful IMD changes the composition of teams every week hut strong personalities some-

An absence of guidance

The market for executive education is not as well served by consumer guides as, say, that for MBAs.

There is talk that both the Economist Intelligence Unit and publishers Kogan Page are

Cranfield UNIVERSITY

School of Management

Cover illustratinn

A shift in strategy

HUMAN RESOURCE FUNCTION

ness schools and other organi-

For Europeans, one fruitful source is the European Foun-

dation for Management Devel-

opment, based in Brussels. The

EFMD publishes a range of

guides and reference books on

executive education. The

EFMD is at 40 rue Washington,

B-1050 Brussels; te 32-2648-0385; fax: 32-2646-0768.

A positive

new wave

Back in 1982 the magazine

International Management

complained: "Where have all

the management gurus gone?"
It lamented the fact that at

that time no-one of similar

stature had come along to

match Frederick Herzberg

(motivation), Douglas McGre-

gor (Theory X and Theory Y) or Robert Blake and Jane Mou-

The magazine was perhaps fortunate (or maybe unfortu-

nate) in its timing. For the rest

of the 1980s saw the beginnings

of an explosion in gurus that continues to this day. Names such as Tom Peters (excel-

lence), Michael Porter (compet-

itiveness). Rosabeth Moss Kan-

ter (change), Charles Handy (change) and Henry Mintzberg

(strategy) are known to and

(perhaps not the case with ear-lier gurus) read by executives around the world. And new ones are arising all the time.

Gary Hamel, Sumantra

Ghosal, Yvez Dos, John Stop-

ford and others were recently

lauded in an Economist article about "Eurogurus" (though

Hamel is an American). The

article also noted the rise of

the corporate guru, citing such well-known business leaders as

Carlo de Benedetti and John

Whether the proliferation of

Harvey-Jones.

ton (the managerial grid).

There are two ways of approaching buman resources and management education. One is to look at the human resource approach to the training. The other is to look at the type of course available to human resource managers.

As companies emerge from recession, most are taking an ustere view of any request to attend an external MBA course. While recruiting an MBA-qualified manager is one thing, releasing and sponsoring such managers for lengthy development courses is not high on corporate agendas of human resource departments.

Perhaps the main reason behind the contraction in the market for husiness-sponsored candidates in management schools has been the desire among companies to develop in-bouse bespoke training programmes geared to the products, services and processes of

the parent company.

Mr Alan Warner, managing director of Management Training Partnership, a consultancy which specialises in tailor-made programmes, says that companies have been sby-ing away from sending their managers on MBA programmes, partly because of cost and partly because of the time investment needed.

"The dominant HR strategy has been to develop the managers that companies want in-house. Companies do not want to invest in qualifications that their managers might take elsewhere," he says.

The partnership is involved in management training at Unilever. With a company of that calibre, if you have been through its graduate training it may well count for more than some outside qualification." Mr Warner says. Some business schools now

offer courses specialising in Human Resource Management Cranfield School of Management has just launched a specialist MBA option in European Human Resonrce Management, a specialist programme to be run jointly by six husiness schools and universities across Europe.

...John Authers, George Bickerstaffe,

Southwark Bridge, London SE1 9HL

Gahriel Bowman

An A-Z of Executive Education

Tel: +44 0171 873-4090; Fax 0171 873-3197 Editorial

+44 0171 873-3308; Fax 0171 873-3098 ... Advertising

Surveys Department, Financial Times, Number One

Production Editor.....

Christine Buckley, Tim Dickson, Vanessa Houlder

Learn the message

IN-HOUSE PROGRAMMES In-bouse programmes are the alternative to sending executives away for residential train-

ing courses. They offer the opportunity for improved cost-effectiveness, and for tailoring a programme precisely to the needs both of the organisation and of the individual managers covered.

But they also require considerably more effort. In-house programmes are becoming more popular, but often in combination with short courses offered by esteblished external business schools.

It also helps, on grounds of both cost and effectiveness, if the programmes can achieve a "critical mass".

Mr George Davies, a director of Cambridge Management Centres, which designs programmes for companies, says: Programmes are at their most powerful when you have a group of more than 100." Participants can emerge from a specially tailored programme "suffused with the corporate

But cost is a problem for smaller companies, and Mr Davies says that while an in-house programme can usefully he run with only six or 12 participants, the greatest benefits are with larger numbers. He suggests that in-house

programmes are an effective tool for working against the status quo. Companies which want to make a sharp culture change or shift policy can first determine their needs, and then ensure, using consultants or academics, that they all collectively take courses to learn the new message. Otherwise, standard general-

sense - these also allow interchange with executives from

Reputation builders

INTERNATIONALISM

The tendency among many companies not only to ask for an MBA but to ask where it

was gained has not gone unnoticed by the schools and their potential students.

So how is an international reputation achieved? Part of the joh is getting the name of the school known abroad. This will involve promoting the organisation and its research at international conferences and seminars. Research publications, course quality and the cosmopolitan composition of the student intake are also

important._ London Business School, for example, has 40 different nationalities on its new MBA intake and about 60 nationalities in the whole faculty, possibly the most international mix of any of the world's business schools.

The LBS summer project will involve travel to 26 separate countries. In addition, some 40 students are embarking this month on a programme in east-ern Europe to advise companies on bow they can improve their exports to the west.

It also helps if schools have an internationally renowned husiness guru on board or if they can gain a reputation in

publishing.
Warwick Business School, which has built up a strong repntation for its research work, is about to begin publishing bulletins on bot topics for husiness executives but it does not produce a regular

magazine. Prof Bob Galliers, the Warwick chairman, says: "It would be pointless to try and publish a rival to the Harvard Business Review as some US schools have attempted to do. The Harvard Review is on the chief executive's desk and be's not going to look for anything

Manchester Business School says schools must ask themselves whether they are attracting international students. Manchester's intake breaks down at 25 per cent UK, 15 per cent from other parts of the European Union, and 60 per cent from the rest of the world.

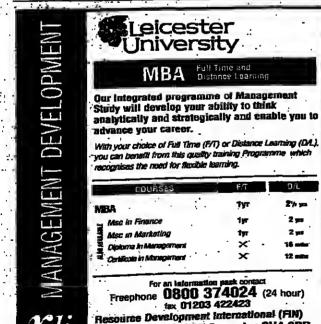
Corporate graffiti

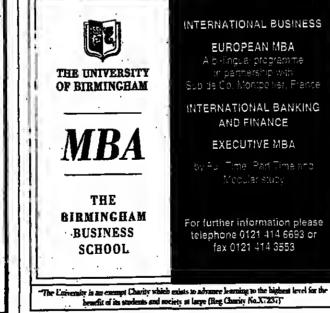
JARGON Management education is

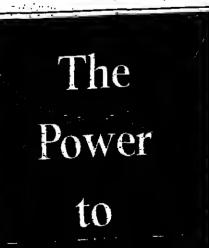
becoming steeped, as is manist courses may make more | agement itself, in business jardescribed by Prof Tom Robertson, marketing director at London Business School, as "corporate graffiti".
Ideas that he lists as in

vogue during 1995 include: Activity-based accounting, henchmarking, husiness pro-cess re-engineering, codes of ethics, core competencies, empowerment, lean manufac turing, market driven and

Continued on next page







Deliver

Results

FREEPOST CV2472 Coventry CV4 8BR

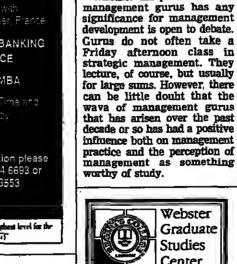
As a leading European management school, we have the expertise to deliver results. Through a range of executive development services, we work with individuals and organisations to improve business performance in the areas of:

- Strategy and change management
- Personal and managerial effectiveness
- General management
- Functional management
- Director development
- Tailored in-company programmes

Our programmes and services not only reflect the latest management thinking; their pragmatic format allows participants to geograte immediate and measurable business results. Our distinctive learning approach is backed by one of the strongest faculties in Europe, whose active involvement with industry, commerce and government provides a unique understanding of the changing demands of contemporary business.

To discover more about Cranfield, and how we can help you achieve your organisational and management development objectives, please contact Fiona Sparkes on

Tel. +44(0)1234 751122 or Fax. +44(0)1234 751806 or Email Ej.sparkes@cranfield.ac.uk - quoting Ref. FT.





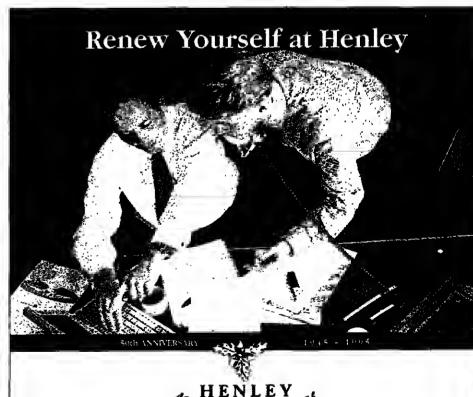
MBA MA

courses in central London

full-time and part-time

starting **15 MAY**

for more details call Maia Talwar 0171 487 7440



Your business world is changing and so is your job as a manager. You work harder and longer and yours is now a far more complex and demanding role.

Ynu need to develop new competences - you need to renew yourself, but you have less time to do so. Use your time wisely with Henley - Enrope's most experienced Management College.

The General Management Programme: (4 weeks or 4x1 week)

· Designed for experienced managers assuming responsibility for a business unit. It combines action planning with formal learning and shared experience leading to real improvements in personal and organisational performance.

The Strategic Management Programme: (4 weeks or 2x2 weeks) • It helps fuse the key management skills and perspectives into a coherent strategic plan - to equip senior managers to lead their organisations successfully through strategic change.

We also offer a wide range of Short Courses for experienced Managers and Directors.

For more information about Henley's Executive Programmes in 1995, please call, fax or E-Mail: Hazel Carruthers, Business Development Manager Tel: 01491 418833 nr 418832 (Direct Lines). International Code +44 1491. Fax: 01491 571635. E-Mail: HazelC@henleynx.ac.uk

Henley Executive Programmes, Henley Management College, Greenlands, Henley-on-Thames, Oxfordshare RG9 3AU, England. Telephone 01491 571454.

BUILDING PEOPLE - BUILDING BUSINESS

Corporate graffiti

Continued from previous page

close-to-customers, relationship marketing, strategic alliances and networks, timebased competition and total quality management.

In the spring edition of the school's Business Strategy Review, Robertson goes on to ask what happened to the holy grail of a few years ago which included ideas such as Theory Z, zero-based budgeting, intrapreneurship and skunk works He points the finger at business school academics and management consultants for

generating this changing lexi-con of businessspeak. On the sopply side academics are responsible for the ideas and consultants for branding them as a basis of competitive differ entiation in their firms. On the demand side, says Robertson. is a receptive audience of managers perennially searching for simple "branded" answers. adopted with fervour and dropped without regret as they move to the next hot concept.

He has noticed that the language of these fads is adopted in company newsletters, reports and advertising in wbat be calls a "graffiti response", often without sub-stance. All annual reports, he says for example, look as if they have been written by the



Before it's in textbooks

KNOWLEDGE

Whlle possessing international reputation is clearly essential to the lifeblood of the top business schools, achieving that reputation usually comes down to the quality of the research it

Prof Bob Calliers, chairman of Warwick University, says: "If you are a student at husiness school you do not want simply to regurgitate textbooks - the sort of things you can get at the Heathrow airport bookshop. I call it the Heathrow school of management. We need to be at the cutting edge of business knowledge, researching material so that our students know a subject before it gets into the textbook."

Galliers does not see the research role as one where the schools should be leading or following business practice. but in working closely with business so that both can

This policy is pursued executive development companies in different sectors put their executives into each other's companies to learn from the way they run their

All the schools, bowever. look somewhat enviously at the Harvard Business Review, which has established itself in company boardrooms as a fount of business knowledge.

Chance to sell abroad

LANGUAGE TUITION Language tuition for managers is a growing industry, with private providers and trainers competing for business while the UK government also pro-

vides support.

The bland assumption that exporters who can speak English are shielded from the need to learn any other languages is losing ground as new markets in eastern Europe and

China come to the fore. A report produced for the UK's Department of Trade and Industry in 1993 showed that a third of small UK exporting companies had missed opportunities because of linguistic harriers, in the Netherlands, only 4 per cent of exporters had experienced the same problem. In response to this, the department now offers "language audits", checking on

companies' requirements, and current problems. This usually results in recommendations for tailored, individual tuition. The focus is now moving

In the Netherlands there is a saying that in Rotterdam people work hard and shirts are sold with the sleeves aiready rolled up. At the Rotterdam School of Management, we can confirm that



The **International Alternative**

The Rotterdam School of Management's MBA in General Management and MBA/MBI in General Management plus Information Technology brings together participants from nearly 40 countries for an intense 18 months English language 'hands-on' approach to

The Economist's 'Which MBA?' describes the RSM at the Erasmus University as innovative and interesting, friendly and representing excellent value. Find out more by returning the coupon below.

Phase send per recer information on the infi-rime MSA Programs of the Retterdam School of Management	RSM
Norme Mr./Ms.	Francisco de la lacel de Espanya (forma Espanya des admires de Basel de Baselan
Address	7.0. Box 1738
City. Pessal scale	The Netherlands
	Phonontil (BIII amprosa / Y

equally feed off each other.

closely by London Business School At present, it runs an programme where Marks & Spencer and four other respective businesses

Accelerated learning

from providing in-house classes or subsidising employees to take evening classes. Instead,

managers assess specific lan-

guage needs of individual staff, and then invest in intensive

courses, often one-to-one, to

help them reach a given level.

Private providers also offer

briefings on broader cultural

issues to help executives adapt

to doing business in a different

country. Courses are also avail-

able which concentrate on

The products offered by the

Centre for International Brief-

ing, based in Farnham, Surrey,

are typical. The centre offers

residential courses on a one-on-

one or, as a maximum, one-on-two basis. Tuition comes in

five-day modules. with the aim

being intensive immersion.

Subjects on offer include a

range which English-speaking

executives might once have

ignored, such as Hungarian, Indonesian, and Malay.

business vocabulary.

LENGTH OF PROGRAMMES One of the most pervasive trends in management education over recent years has been the shortening of programmes offered by business schools and others.

There was a time when academics argued that only a three-month in-residence programme could allow the time and ambience for managers really to absorb new knowledge. That, bowever, baa proved to be too much for both companies and their managers.

At a time when companies have downsized to the extent that remaining managers are working under heavy pressure, companies simply cannot allow them to be away from the office for such lengthy periods. Similarly, managers themselves are increasingly loth to be absent for so long - partly because of pressure of work and partly because of perhaps understandable insecurity.

As a result, the majority of senior level programmes that may bave lasted 10 or 12 weeks have now been cut to no more tban half that. Even when programmes do last lor consider able periods, they are often split into separate modules of more manageable length. The more specific, functionally based courses are even shorter, perhaps only a few days.

The Kellogg Graduate School of Business of Northwestern University outside Chicago is typical of many top-ranking schools. its flagship general management programmes, the Advanced Executive Program and the Executive Development Program, last for just four weeks and three weeks respectively. A program called Pricing Strategies and Tactics

lasts just three days. Kellogg has gone further than some schools and now offers what it calls the Kellogy Management Institute. This is in effect equivalent to the Advanced Executive Program but is taught for one full day on two Fridays a month between September and May.

Mr Arnoud De Meyer, associate dean for executive education at Insead in France, says his school constantly tries to identify the parts of its programmes that are the most important added-value elements for managers. Insead is also "sending a lot more background and pre-programme material to participants before they start to offer as parallel options parts of programmes that may not be equally important for all managers," be says.

Demands get tougher

MARKETING

As marketing grows into more of a cross-organisational responsibility, so the demands on courses are getting tougher. And added impetus for high educational standards comes from the ever-growing competition in marketing, particularly in sectors such as financial ser-

Issues such as relationship marketing and brand values are bigh on the teaching agenda. More voices are calling for greater education in marketing, especially in financial areas. Mr Raoul Pinnell, director of Marketing at NatWest. recently delivered a damning indictment on the quality of marketing in financial services, saying that It had lost its way, being concerned too much with advertising and too

little with the consumer. Managers are waking up to the central role of marketing in their companies' development and taking a keener interest in education.

Manchester Business School offers a diploma in marketing, ratified by the Chartered Institute of Marketing, that stretches over five weekends. The course started last year and condenses tuition that is normally offered part-time and spread over a year.

City University Business School runs specialisms in advertising and handling the media in its marketing courses.

Specialised marketing programmes are also available in short courses, London Business School's Civil Aviation Strategic Management and Marketing is one example.

No need to stop work

Modular is the name of the game in MBAs and there is a rapid growth in distance learning. MBAs, for long viewed by some as too academic and time-consuming, becoming more

user-friendly. Many more business schools are offering a flexible approach to this qualification in response to demand from are available along with evening and weekend study. It is no longer necessary to give up a job to take an MBA.

IT gets noticed

A decade ago, it was said that having an expensively paid academic spend an hour or so in lecturing a single class of students about basic economics or accounting was a remarkable expenditure of resources in an age of information technology.

Yet the management development industry has been, in some eyes, remarkably slow to take advantage itself of IT at a time when this technology has had such sweeping implications within

For more information:

business. That situation is now

changing rapidly.
Video courses, such as those produced by John Classe and Video Arts, have long been a part of hasic training but interactive learning has taken much longer to establish itself.

Computer simulations and business games on computer have become key parts of most management development programmes and many organisations, such as Henlay Management College, are now using variations on E-mail, such as Lotus Notes, to bring distance learning students together and to help follow-up once programmes are over. But the real development in using IT has come with the growth and increased

availability of multimedia CD-Rom. These compact disks, used with a fairly straightforward PC, allow data. sound and video images to be accessed in a way that is for the first time truly interactive. To be honest, their full potential has still to be realised (and a number of doubts are raised about their true effectiveness), but equally, many academics believe that

multimedia will have a profound effect on management education and the structure of business schools and other providers. Some believe that realising

the full effects of current and future multimedia and IT technologies could result in "virtual" business schools that have more to do with the dissemination of knowledge and information than with a physical location.

Current work on multimedia learning tools is widespread. For example, Xehec Multi Media Solutions in the UK has produced a series of CD-Rom training packages and there are other similar producers in the market. On the business school scene, Harvard is working on CD-Rom-hased case studies, as is Insead, based just

outside Paris. Insead, which developed its first multimedia cases in 1992, is probably the most advanced. According to Mr Albert Angebrn, professor of information systems at Insead, CD-Rom can provide several hours of video and animation, thousands of photographs, pages of text, graphics and

charts.

Insead first based its multimedia cases on the idea of an "electronic book" that allowed students to browse, mark, annotate and search for spe cific topics or people in the text. They also allowed direct access to related images and videos - the real difference that multimedia brings. For students and potential example, the Swatch case students. Short learning blocks allows students to compare North American and European advertising approaches by watching video clips, which appear in a small "window" on the computer screen. Students can also watch the steps involved in product development and see a short interview

with the product manager. Newer cases have become increasingly sophisticated and less structured. Mr Angehrn argues that the editing implicit in writing down a case is being removed. Students are now able to look at a company unbiased and with as much information as they want. They can access real financial data on a company via spreadsheets and

carry out "what if" analyses. in one marketing case they can evaluate advertisements and advertising campaigns by changing the style of advertise-ments. The computer will suggest the likely results. In other words, they approach the case like real-life managers.

Reskilled for a return

The latest set of initials to arrive in the UK's training environment is NVO National Vocational Qualifica-

improving the standards of training in particular technical crafts and skills, they are now increasingly recognised as a relevant and useful tool for reskilling middle managers.

competence in the workplace. Five levels of NVQ are available, of which levels 3 (supervisory management), 4 (first line management) and 5 (middle management) all have particular relevance for training and monitoring middle managers.

Each level includes a series of "units of competence" which trainees must satisfy. To do this they must be assessed by their peers, making it easier to

the qualification This makes NVQs useful for

University of Central England in Birmingham earlier this year succeeded in finding jobs for 13 of 20 managers who took NVQ level 4 in an intensive 18-week period. Most had been memployed for more than a year, after amassing more than a decade's experience.

 For further information contact National Council for Vocational Cualifica tons, 0171 387 9896.



All walks of

OPEN PROGRAMMES

other industries and other countries, taking stock of themselves in the company of others, experimenting away from the critical eyes of col-leagues, individuals can gain in confidence and pick up new ideas which will augment their contribution when they get back to the office.

DARDEN

of Business Administration

University of Virginia

The program has exceeded my

expectations. Faculty is to be

recognized for creating an

atmosphere where you learn

Airton Jose Gimenes

among friends. Its integrated view

of general management activities

helps the development process.

Vice President/Brazil Operations

Edisa Hewlett-Packard, S.A.

Graduate School

Although they are generally perceived as a vehicle for

The NVQ system awards at and ardised qualifications to trainees once they have demonstrated specified levels of

monitor their progress.

For example, level 4 includes four "key roles" - managing operations, finance, people and information, which are broken into 26 elements of compe tence, such as "establishing and maintaining the trust and support of one's subordinates' All 26 must be passed to win

training unemployed managers returning to work, as they both ensure broad experience during brief work placements, and act as a guarantee to potential future employers.

A pilot scheme run by the



grammes - in which individuals come together from a variety of companies and husiness backgrounds – is to enhance individual development. By mixing with managers from

The downside of open pro-grammes - particularly where the topic is general management - is reconciling the needs and interests of people with a variety of functional experiences. Teaching finance to non-finance specialists is easier than leading a course in these subjects if the audience includes, say, marketing, per sonnel and environmental managers as well as engineers

and accountants. Some sponsor involvement in the content of open programmes is possible, but a downside for some organ-isations is that the curriculum is largely outside their control. Open programmes have borne the brunt of manage-

ment education cuts during the recession. Some business schools have contemplated pulling out of this market completely - but Insead, for one, claims that many of its general programmes now have waiting

High fees in the US

Executive programmes at business schools can be phenome nally expensive. The one-week Human Resource Executive Program at Stanford husiness school in California costs \$5,000 including lodging; the flagship Stanford Executive Programme costs \$27,500, though that, too, includes lodging for just over six weeks on Stanford's beautiful Califorman campus. Still, a two-year MBA at the same school will cost only about twice that (though without the lodging). Programmes at less wall-

known schools tend to be correspondingly less expensive and in general European schools are somewhat cheaper than their US counterparts. Management education comes perhaps most cost-effectively via the distance learning

route - though even this is not cheap for a reputable programme. For example, The Competent Manager, a base course in the MBA offered by the Open Business School costs \$2,350. The costs of tailored in-com-

pany programmes are much more problematical. Generally, these are reached by negotiation. However, some suppliers argue that even though much more time is spent on developing in-company programmes and that they are not repeat able in the way open programmes are, companies are very reluctant to spend more (and often want to spend less) than they would on sending managers to open programmes: There has been some debate

about just how high charges programmes can go before they meet market resistance. This concern is most marked on MBA programmes, where a sig-nificant number of participants pay their own way, rather than on programmes where compa-

nies pick up the bill.

Exactly bow management devalopment programmes are costed depends on the individ-nal provider. But a glance through the various brochures on offer suggests that the fee to the customer is based more or less on adding inflation plus a hit for luck to last year's

A buyer's market

PROVIDERS --In the fast-growing market of management education there is no shortage of providers. And as it is very much a buyer's market, those providers are

having to work increasingly hard to tailor their courses.
Of respondents to last year's Institute of Management study - Management Development to the Millennium - 96 per cent said that academic institutions needed to become more responsive to the needs of industry and 85 per cent thought organisations would demand shorter courses that required less time

away from work. And the shift in balance from education being largely a company responsibility to the onus falling on the individual is creating further pressure for flexible providers. Karen Cole co-ordinated the research on the Millennium project. She says: "So many companies are aaying that they are downsizing or delayering that really you are on your own. Employers can afford to sit back and take advantage of the well-trained individual."

Universities, business schools, management colleges, consultants and in-house training are the primary providers

of management education.
Although business schools still rule the roost, there has been a big growth in independent providers. The Association for Management Education and Development has estimated that there are some 10,000 independent providers of training and education in the UK with a net inflow of about 1,000 a year. ...

SIX WEEKS. SIX COUNTRIES



It's Not A World Cruise. It's A Global Education.

The Global Executive Program, offered by Duke University's Fuqua School of Business.

In a business world without borders, it's the outlook you need to succeed. Contact us today for information.

BRUSSELS

Phone: 32 (2) 655-5857 FAX: 32 (2) 655-5812 E-mail: 75677-2417 @ compuserve - com UNITED STATES Phone: 800-372-3932

mail: pjm2 @ mail - Duke - edu

FAX: 919-681-7761



A NEW.

SEAT

ON THE

BOARD

₹.

Program Locations: Europe / Asia / Americas 1995 Dates: June 25-July 8/Oct. 15-27/Dec.10-22

YOUR FUTURE LIES IN THEIR HANDS

With the quest for competitive edge demanding total mobilisation, the one resource companies cannot afford to neglect is their executive potential.

Templeton has 30 years' successful experience developing top managers and guiding companies' executive succession,

- Tailoring to specific needs Career long partnerships for personal development

Individual tutorial teaching

International networks of

practitioners and academics Oxford University accreditation



WE CAN MAKE YOUR FUTURE GROW

To find out more contact: Co-ordinator, Senior Executive Programmes Templeton College Oxford OX15NY Tel: (01865) 735422

Fax: (01865) 736374



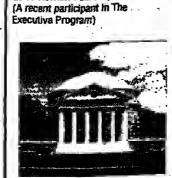
Three Reasons to Choose the University of Virginia's Darden Graduate School of Business Administration:

- 1. Faculty excellence—in Business Week magazine rankings, graduates of the MBA program and participants in Executive Education programs give faculty 'A's' for excellence.
- 2. The MBA Program is ranked in the 'Top Ten' in the most recent U.S. News & World Report.
- 3. Darden Executive Education is ranked #1 by participants in the reference book Business Week's Guide to the Best Executive Education Programs.

University of Virginia - P.O. Box 6550 - Chartottesville, VA 22906-6550 • Phone 804-924-3000 • Fax 804-924-4402 ☐ MBA Program ☐ Executive Education

Phone or check the appropriate box(es) and mail or fax to:

Darden Graduate School of Business Administration .



The Rotunda University of Virginia

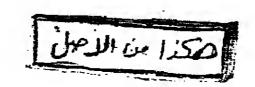
YOU CAN SUCCEED WITH THE BUSINESS SCHOOL Exploit your professionalism with the Glasgow MBA

Personally challenging and career enhancing Executive MBA (part-time) ad MBA (full-twoe and modular) Masters short cor regrammes for those with quality in mind

> challenging learning environment A synthesis of theory and practice A proven track record Specialised MBA's in Housing & Health Care Management

EMBA Admini Glasgow Business School, 55-59 Southwork Avenue CLASCOW GI2 BLF. Tel: 0141 330 4132 Fam 8141 330 5669. l: c. burgess @ a





the currency

Qualifications are the currency

of management training, but

they are less fixed than they

For a start there are more

providers. The UK's higher

education system has doubled

in size in the last decade, and

business studies is one of the

most popular courses on offer

from the "new" universities

(mostly former polytechnics).

Their mission is to help their

local economies, with the

result that many now attempt

to offer high-grade training for

middle managers in local com-

panies, where previously there

was a gap in the market. Training in the workplace

has been aided by the advent

of National Vocational Qualifi-

cations, which provide a frame-

work to chart the course of an

employee's accumulation of

experience. This means private

providers and employers can

now also have an input in

awarding qualifications.

All providers are offering more technical "niche" man-

agement qualifications, and

spreading towards the public

sector - with certificates avail-

able for running legal firms, schools, or doctors' practices.

training and education provid-

ers in old universities and busi-

ness schools are changing the

structure of thair courses.

They are becoming more flexi-

ble to suit customers, which means more "distance learn-

ing" - often using on-line tech-

nology - and evening classes,

The fact that after rapid expan-

sion the UK's Open University,

a pioneer of open access learn-

ing, is now the largest provider

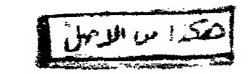
of MBAs in Europe, demon-

strates the trend.

More profoundly, traditional

QUALIFICATIONS

used to be.



AN A-Z OF EXECUTIVE EDUCATION

Vary of Q Claims by Debasing the current outstrictions

SDAY APRILLING

deministrators and man the UR late about to cines recording to take the companies of contract to the contr James biezalie all The Society of Prairies in insurance of the firm ated the figures left Tributor on the loss of THE PERSON NAMED IN COURSE OF STREET of called "fa: cat distra

in an increasing a stance to mender. parameter to income and an appropriate claims, the Spi Sci. 1205A (1523 000,0002 claiments were being beneficians and former employed carned less than the For Line a New Ry get puthing Then in

See British Block

the state to reins

cecested. This is not pring the working as Pi official 200 a parter Price Waterhole Mr lan Brudber De of SPI, odd of Valley aper of many Harman Anna Carlo reportable for the fee might not a fee or their investigations SP sellenter in h Trens Britis creation Constituent, Ave. - San Berg PERS SEL graffy it is the training A MARIE TO Time Co.

THE PARTY IN THE P 一大学 大学 大学 100 to 10 A RESPONDED CARRY TELL TO LIVE - ----**可能ながった。これの** E MANAGEMENT CO. Treater ...

THE TITLE

建筑的工具中的工作 ADD TO APPLICATION OF g transfer number of the

THE THE STATE OF

 Full-time Part-time Executive Part-time evening For further details telephone 0116.257 7230

MBA Programmes Admi De Montiori University.

Consortium

write to: Sue Owen.

MBA Programmes

Leicester Business School

DE MONTFORT UNIVERSITY

THINKING OUTSIDE THE BOX

One day seminar on Lateral Thinking Presented by Caspar de Bono Central London

3rd, 4th May For further details please call Tel: 0171 591 0411

If growth is allowed for

RECRUITMENT AND RETENTION

At a time when "jobs for life" are becoming less prevalent. training opportunities are increasing valued by employees who are aware of the need to demonstrate up-to-date akills to potential employers.

However, some husinesses are concerned that by giving employees marketable skills, they risk losing their highest flying staff. This is often a problem if the employer fails to provide opportunities and challenges that allow employees to huild on their skills.

A commitment to training is inadequate unless it is coupled with one to career development. However, the combination may play a powerful role in recruiting and retaining good employees. "Organisations that allow people to grow provide the right psychological framework to allow people to stay," says Gavin Barrett, marketing director at Sundridge Park, in Bromley, Kent.

It's hard to get back

RE-ENTRY

International Marketing Institute

1995 EXECUTIVE EDUCATION PROGRAMS

in a global markesplace

July 8 - August 4; 1995

Finance for Nonfinancial

August 6 August 11, 1995

offered at the Carroll Graduate School

of Management of Boston College

International Marketing Institute

314 Hammond Street Chestnut Hill, MA 02167 USA

Tel. 617.552.8690

Fox 617.552.2590

E-mail: mr@clec.bc.edu

Rated "Excellent" by the Higher Education Funding Council

Executives Program

36th Annual Marketing Management

The measure of success of an executive programme is how well the training can be put into action when the manager returns to work. But all too often, it is a difficult transition. A course may rapidly lose its relevance if managers return to desks piled with work, colleagues who think they have been on holiday and bosses who have a "not invented here" attitude to new

Games that people play

show little interest in the out-

coma of a course. A survey by

Sundridge Park found that

fewer than 40 per cent of par-

ticipants on management pro-

grammes bad been debriefed

by their line manager or

human resources department

It argues that a failure by a

company to cater properly for

the re-entrant nullifies much of

The problem can be particu-

larly acute if senior managers

do not give their personal

hacking to the success of a

training programme. In cases where the chief executive

"owns" the training initiative,

organisations tend to get better

The difficulties of re-entry

can also be eased if all the peo-

ple working in a department or

on a particular project receive

the training. This concept of "vertically integrated" training

is gaining ground with some

The training provider can

also have an impact on the re-entry problem. One solution is

for the school to work with the

company before the course to

prepare the organisation to

make full use of what the man-

agers have learned when they

Follow-up sessions are another way of helping execu-

tives put their newly-learned

skills into practice. Managers stay in touch with tutors who

monitor their progress through action planning reviews,

refreshers and in-company pro-

jects. Cranfield, for example,

organises a one-day follow-up

event at the end of each gen-

eral management programme.

results from it.

companies.

return.

the benefit of the training.

following their course.

SIMULATIONS

Simulations are viewed as a powerful learning vehicle because they expose users to the consequences of decisionmaking in a realistic but riskfree environment. Moreover. they are often used as a tool to

promote team working. The first business games were used in management education in the 1950s and 1960s. However their growth has been rapidly recently as a result of increased awareness, increased computer literacy, their cost-effectiveness and a wider range

of available games. Simulations range from outdoor exercises used to promote leadership, planning and team-work skills to role-plays designed to develop particular interpersonal skills. Most simulations, however, are based on computer models, which allow participants to explore the consequences of business decisions against a particular industrial or commercial back-

ground.

Some companies use models based on their own husiness for training purposes. Har-bridge House, a consulting arm of Coopers & Lybrand, has designed a simulation for General Electric which deals with questions of performance, capi-tal expenditure approval and strategic direction by presenting real issues unfolding in

Since participants are learning about real-life management rather than analysising theo retical issues, they are expected to translate what they have learned more effectively in the workplace.

Special needs

SMALL AND MEDIUM-SIZED COMPANIES

Many owner-managers in ambitious small and medium-sized companies have particular need for management education. While some acquired managerial skills at an earlier stage in

their careers, many are entirely self-taught and have Many companies appear to few experienced managers within their organisation on whom they can draw for support.

Taking the time to undertake executive training can be difficult for owner-managers But a number of courses. including those sponsored by the Training and Enterprise Councils, are designed specifically to fit their needs. For example, Cranfield School of Managemeut runs a business growth programme every year, which takes place

four months. The course, which costs £4,000, relates issues such as marketing, strategy, recruitment and delegating to participants' own businesses and experience.

on alternate weekends over

Warwick Business School also runs a Business Growth Programme aimed at owner-managers of growing companies. It consists of monthly worksbops and consultancy sessions, running over a 12-month period. Its aim is to develop the "vision, strategic thinking and effective management skills" needed by the owner-manager or managing director of a small or medium-sized enterprise.

Insular viewpoint

TAILORED PROGRAMMES In the drive for shorter, more cost-effective training programmes, companies are often keen to specify the content of training courses. A recent study undertaken by Ashridge Management College. based in Berkhamsted, found that just over half the companies it surveyed planned to use more programmes tailored to individual learning

priorities The advantage of a tailored course is that they are designed to meet a company's specific requirements. For example, they are often used as part of an organisational change programme, where they provide an opportunity to

change the corporate culture. However, tailored courses may have disadvantages Students do not meet their counterparts from other companies and they do not get a view of what happens outside their company.

Although companies feel that they obtain greater value-for money from tailored courses, they are not necessarily a cheaper option. Providers of training often helieve that companies underestimate the amount of preparation they require. Designing a course requires

close collaboration between the

company and the training

provider. Cranfield, which provides in-company programmes through its Management Development Unit, researches programmes hy interviewing senior managers and participants to establish their current level of knowledge and to understand how they view the issues. Sometimes, a course designer will shadow a husiness manager to get a greater understanding of the issues

Cutback pressures

In many companies, managers workloads have increased to a point where their absence on lengthy training courses would put too much pressure on their departments.

Theae time preasures, together with the demand from companies for more focused training, are tending to lead to ahorter . management development programmes. A good example is a new

hy IMD in Switzerland called Orchestrating Winning Performance. To be held over a loog weekend in late June/ early July, the aim is to provide a complete overview of the school's latest research and allow participants to tailor their own learning by choosing

First steps in trainers

from a number of optional

TRAINING CENTRES

Many large companies bave their own training centres where they organise in-bouse development for their staff. Courses range from induction for new employees, technical skills, inter-personal skills and developmental workshops as part of a programme of cultural change.

But at a time when organisations concentrating ou their core businesses and outsourcing peripheral parts of their operations, the role of in-house trainers is being questioned. Many companies prefer to go outside for relevant training. as and when it is required.

One advantage of using external suppliers is that it guards against excessive introspection. A training company or university should be able to henchmark a company's training needs. using its experience gained from a wide range of companies. Sending individuals on an open programme will have further advantages by exposing them to their counterparts in other

companies But training centres are likely to continue to have a role. They are often the most efficient way of teaching large numbers of people technical and professional skills. In large organisations, in-house courses also have a role in promoting networking. hullding relationships and inculcating the company's culture.

Fresh air therapy

UPHILL STRUGGLE Outdoor management training

can make a harsh contrast to the sedentary life of many managers, by exposing them to tasks such as caft hullding. emergency rescue and night search exercises. Enthusiasts argue that it presents more than just a physical challenge: it Introduces people to new experiences, It hullds teamwork and imbues a sense of achievement.

Such courses are popular, although they have been affected by budgetary restraint and the emphasis on concentrating on an organisation's specific training needs. A survey last year hy the UK's Industrial Society found that 38 per cent of respondents use such courses extensively or occasionally

About 40 companies in the UK provide adventure programme traiuing for organisations seeking to develop teamwork among their

Manchester Business School, for example, offers outdoor leadership courses, based in the Lake District, as an optional part of its company programmes. "Leadership activities provide additional opportunities for course members to test and extend their individual skills in planning and carrying out group tasks ln an unfamiliar environment," it says. "Personal development is a frequent hy-product of this

A frequent criticism of outdoor training programmes is that participants find it hard to transfer the skills they learn to the workplace. Many courses spend more time discussing six-day programme designed | the outcome of the outdoor

challenging opportunity."

activities as doing them. Sundridge Park, for example, organises a leadership course in which one and a half days is spent outside and three days in the classroom.

Another aspect of outdoor training programmes that has come under criticism relates to courses that encourage rivalry between teams. Psychologists argue that courses that emphasise competition hetween teams can be counter-productive hecause they have a demoralising effect on some participants.

Subjective drawbacks

VALUE-FOR-MONEY

The benefits of training programmes that aim to teach a specific set of skills can often he assessed relatively easily. But management development programmes, which equip executives with the skills and mind-set they need to deal with future issues, can be more diffi-

cult to evaluate. Rroader issues such as customer satisfaction, international communications, staff retention or a fall in absentee ism - which may have been a specific aim of the programme - are also monitored in the wake of a programme.

inevitably, bowever, the assessment of a programme contains a large element of subjectivity. An assessment of its value is also complicated by the importance of the role played by the company in making use of what was learned in the course.

Other sex kept out

WOMEN Women-only training has expanded rapidly in recent years, as a result of concern about the small number of women breaking through into senior management positions.

Numerous independent consultancies are now providing in-house women's courses for organisations as well as exterual programmes of varying duration. Cranfield, for example, runs a Women Managers Programme for Britisb Telecom, which introduced it for its women managers.

Among the longest-estahlished of the open programmes is the Industrial Society's Pepperell Unit development course for women. This week-long residential course looks at how organisations work, career assessment and planning understanding financial information, team huilding, communication, equal opportunity issues, stress management and presentation. Fees for nonmembers are about £2,400.

The case for women-only address some of the issues that bamper female managers in their attempts to reach their potential. The absence of senior female role models, stereotyping. sex discrimination and concerns about children. domestic responsibilities and partners' careers are issues that are rarely raised in mixed-sex groups.

However, some women argue that such courses are conde-sceuding and possibly counterproductive. A recent study by City University Business School into why so few women attend management education programmes found that only 20 per cent of the women surveyed wanted courses on gender issues for women only.

Sceptics argue that there are inherent dangers in separate provision, not least of which is the risk of marginalising woman. They believe that

women-only training should he seen as an adjunct to, rather than a substitute for more traditional organisational and occupational training.

Universal cure-all

Are there any managers who should not receive executive training" Employees do not always enjoy or benefit from training programmes. But often, it is the fault of the programme, rather than the man-

For example, the T-Group sessions which came into vogue in the 1960s and are now out of lashion, attempted to improve managers' sensitivity and self-awareness. However. they often exposed people to criticism that was more than they could take.

Outdoor training techniques have also proved counter pro-ductive with some employees. In the hands of insensitive trainers, participants can eud up feeling demoralised and bullied by being ask to undertake challenges they find threaten-

Another group of employees do not respono to too theoretical an approach. Seminar programmes that are entirely composed of speeches and which offer us interaction with the participants can leave managers feeling frustrated and

However these problems are usually confined to badiy-man aged courses. More commonly, management development is seen in a positive light by the employee: as a "reward" for good performance and as an

expression of the company's confidence in his or ber future This perception can cause problems with people not singled out for management education. Colleagues may feel you pace yourself.

alienated or even threatened if they are excluded from a programme. For that reason, companies that are trying to undergo fundamental cultural change often offer training programmes throughout their organisations.

Age cannot wither them

Typically, organisations use in-house programmes for the induction and early development of young managers. Only later in the managers' caneers will they be sent on external programmes to broaden their experience.

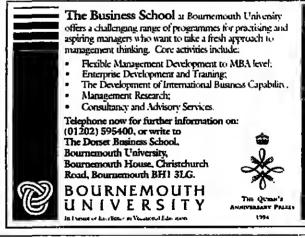
Currently, most management training is focused on people in their 30s and 40s. Managers are expected to acquire a substan-tial body of experience in order to make best use of a development course. Moreover, executives are usually in their 30s and 40s when they have to acquire managerial skills.

But there are signs that management education may extend its reach to older executives, The competitive pressures and the pace of change facing organisatious are forcing employees to become more adaptable and acquire uew skills at all stages of their

A final definition

A zombie is what you turn into after hours of study, miless







IBFD International **Tax Academy**

The IBFD International Tax Academy provides courses and conferences all over the world dealing with the essential issues in comparative and international taxation. Latest developments and key strategies are presented in intensive, idea-packed sessions by specialist teaching staff with worldwide expertise.

Contact us for a copy of our latest course and conference calendar or ask about our failured in-house courses.

Ms Anselien School, Course and Conference Manager, IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, the Netherlands Tel.: +31 (0)20 626 7726 Fax: +31 (0)20 620 9397

MBA - MIM

Florida, London, Strasbourg, Paris, Heidelberg, Berlin, Madrid, Leysin

Intensive, full-time, one year program

 Part-time evening programs for working professionals English is the language of instruction at all campuses Optional billngual MBA program :

German/English in Berlin or French/English in Paris MBA Preparatory Program and the Advanced International Management Diploma - tor thosa with a non-business Bachelor's degree who wish to take. advanced management courses.

> Schiller International University Dept 4/FT, Royal Waterloo House, 51-55 Waterloo Road, London SE1 8TX Tel: 171 928 8484 Fax: 171 620 1226

You can tell a lot about the quality of our MBA programmes by the companies we keep.

At the CENTRE FOR EXECUTIVE DEVELOPMENT within Bath University we work in conjunction with some of the biggest Blue Chip organisations in the land - Dalgety PLC, Avon Rubber, TI Dowty. Touche Ross to name but a few. Each company knows the benefits of our MBA Programmes, and takes advantage of them year after year. Why? Because our courses are designed to suit both your needs and your immpany's.

Our EXECUTIVE PROGRAMME is designed to give an intensive management education which you will

apply, as you learn, within your present organisation. Keeping you away from your workplace for a minimum of time, it allows you to study on Friday and Saturday each alternate weekend over a two year period.

Our one year, AMBA-Accredited, FULL-TIME PROGRAMME however, gives you an intensive general management education, with the emphasis on problem solving, team building skills and personal development. In fact a Both MBA course not only guarantees you the highest quality MBA teaching available, it also

guarantees you'll be in good company. For full details telephone, write or fax quoting REFERENCE : FT1 95



he OJ Simpson trial, which has become a national obsession in the US, could become a footnote in the textbooks of technology alongside its guaranteed place in legal history. Although unlikely to be used

in evidence at the trial, a computer-generated hypothetical re-enactment of the killings has been produced by a California company. It is believed to be the first time the technology has been used in connection with a murder trial.

Every scrap of evidence from the hearing into the murders of the former American foothall star's ex-wife Nicole Brown Simpson and her friend Ronald Goldman has been analysed and debated in gavel-togavel television coverage Outside the courtroom, how

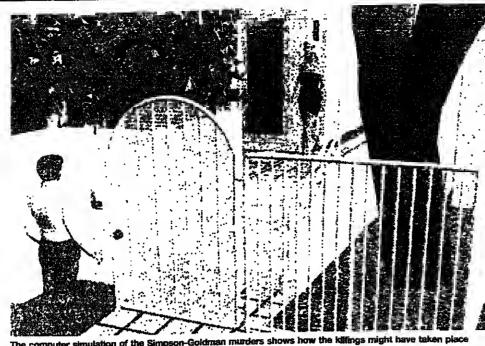
ever, dramatic details of how the killings might have taken place are revealed in a computer-generated simulation of the murders created by Failure Analysis Associates FaAA. a California high-tech company ulations for use in litigation and risk assessment.

Using "forensic animatioo" techniques, FaAA began by collecting exact measurements at the crime scene and combed through evidence presented in the pre-trial hearings search-ing for every available detail These data were used to create a computer model of the crime

FaAA staff then took the roles of the assailant and victims in a re-enactment of the crime, following directions from the company's world class hiomechanics experts.

Computer sensors attached to the actors' bodies recorded their every movement. The sensors provided digital spatial information used to create animated computer personas. The company says the result is a scientifically accurate vis-ualisation of the murd-

Although the same computers and software used to produce this animatloo are also used to create special effects for films and televisioo programmes, all suggestion of entertainment has been eradi-



Model justice

Tom Foremski and Louise Kehoe witness one version of events from the OJ Simpson trial

or blood, and figures in the scene are featureless. yet frighteningly realistic.

The three and a half minute sequence shows a figure represecting Nicole Brown Simpson walking down the steps outside her Brentwood. Los Angeles, home to let Ronald Goldman lnto a feoced porch

They stand on the steps talking, when suddenly a figure hiding behind a wall springs out, hitting the male figure oo the head and throwing him to the ground, then quickly hitting the female figure and knocking her uncoo-

The assailant lifts the male figure, holdlog him from behind, and makes cutting and stahhing motions. He theo turns his attention to the

no graphic depiction of wounds female figure, lifts her in the same way and similarly stabs

her with a knife. We helieve that this sequence is the only one possihle because of the narrow confines of the murder scene, the final resting place of the bodies, and the injuries and other evidence found at the scene." says Roger McCarthy, the

He adds that the simulation indicates there was not enough room for two assailants to attack the victims, challenging a defence theory that it would have taken more than one attacker to inflict all the wounds found on the vic-

Whoever committed the murders must also have been very strong, according to McCartby. "The fatal wound to Nicole Brown Simpsoo's oeck, in particular, would have required tremendous force," he says.
"There are parallel cuts on Goldman's neck and there are deep, but not fatal, stab wounds on Simpson's neck that were clearly made to ter-

rorise and torture the victims." FaAA's hiomechanics experts believe that the wounds were inflicted by the assailant while he held each of his victims from behind with his left hand covering their mouths.

The computer simulation of the Simpson-Goldman murders was created for a new cable television show called Coet Central without any direct contact with prosecution or defence lawyers. It seems unlikely, therefore, to become part of the evidence in the Simpson trial.

Computer simulations have,

however, been used in hundreds of civil trials in the US over the past few years including cases involving car or aircraft crashes, fires, explosions and other disasters. FaAA, for example, simulated the voyage of the Exxon Valdez which ended in a huge oil spill in Alaska.

However, forensic animation is rarely used in criminal trials. This is a matter of cost, rather than any legal constraint. Few defendants can afford the tens or hundreds of thousands of dollars that it costs to produce a complex

Constructing Simpson-Goldman murder computer simulation cost about \$300,000 (£187,500) and took 23 experts almost five

Under US Federal laws. animations are admissible as evidence under the same rules that apply to other forms of graphic material - they must be relevant and accurate. Typically, simulations are used to illustrate the testimony of

an expert witness.
"Animation makes complex technical situations easier for a judge or jury to understand." says David Weinberg, a lawyer national director of litigation services for Engineering Animation. a producer of computer simulations for legal cases.

Some legal scholars are concerned that flashy, digital

presentations could mislead jurors who fail to question the underlying theory behind a simulation. However. Weinherg maintains that jurors are as scentical of evidence displayed on a computer monitor as they are when it comes to any other

type of presentation. He points out that it is up to the opposing counsel in a trial to "probe and question a simulation, and present it for what it is - somebody's theory

on what happened". As the cost of computer power cootinues to fall and the sophistication of Imagiog software to increase, it is clear that computer simulations will play an increasingly important future role in the justice

Bank forges a new approach to fraud

Andrew Jack examines the various design changes to the latest French banknote

or a country to sophisticated elements into its banknote design in the fight against frand seems logical. For it to publicise widely the techniques it employs seems at first rathe

more paradoxical. Yet earlier this month, the Banque de France did precisely that. Unveiling the FFr500 (approximately £63) note now coming into circulation, it also distributed posters, booklets about the design and colour photographs of the note which magazines and newspapers were authorised

to reproduce. The tactic illustrates that the nature of banknote forgery has changed so radically that circulating copies of the designs makes no difference; and the most effective line of defence against forgery is to improve early warnings from those

who receive the notes. The Bank of France started taking a oew approach to anti-forgery designs two years ago with the FFr50 note. This has been followed, with additional features, on its FFr500 counterpart, which will in turn be followed as the intermediate value banknotes are changed over the next three years.

Some of the earliest changes to banknote design in the 19th century were inspired by anti-forgery policies. Since then, traditional banknote design has aimed to ootwit forgers by the use of elaborate patterns which can never be entirely accurately replicated.

However, the advent of

colour photocopiers over the last few years has changed the forger's approach. As a result, the Bank of France's new note contains several 'anti-photocopier" features. In addition to the long-standing use of watermarks and the thin

metal strip that runs through the paper, the design include on the surface a thick, discontinuous strip of aluminium – shiny to the eye but which reproduces as black when photocopled. Similarly, the principal

colour on the note – a hine-green – looks nearer to hine on a photocopy. The continuous printed coloured lines that make up much of the design reappear on a photocopy as a tight series of dots, while there is also a quotation in typescript too small to reproduce. The printing which raises the ink above the paper to produce a tactile effect.

common with a number of other central banks, the Bank of France huvs security ink that is not commercially available. A symbol on the new note is printed using this "optical variable ink", which appears green when seen from one angle and blue from another.

Another symbol on the note ls printed in colourless finorescent ink, which reacts under ultra-violet light, while other parts of the design disappear when examined hy infra-red light. Some of the numbers on the note are also printed in magnetic ink.

Finally, the new note has a symbol which is only partially reproduced on each side of the note, and which is only complete when held up to the light to connect the two designs. To forge the note would require extremely accurate printing on both sides to ensure the complete design is perfectly aligned.

By highlighting these measures the Bank of France aims to ensure the public, shopkeepers and others handling money are able to detect forgeries easily.

While regulations require banks and other financial institutions to seek ont signs of money laundering, no such law exists for forged notes. Instead, there is a far more effective measure: the Bank of France simply refuses to eccept forgeries from banks, giving a strong incentive to check notes scrupulously.

On the other hand, there are other even more secret design features on the new notes which officials will not reveal. They have also been working with colour photocopier manufacturers to ensure there are subtle ways to trace copies - and hunt down forgers.

Despite all the efforts, there is little sign yet of forgery abating. Few statistics exist, and those that do are closely guarded. Yet some officials privately suggest there are several forged notes in France for every million in circulation.

All the effort put into special techniques has also on occasion detracted from the basic design. On the FFr50 note, featuring Antoine de Saint-Exupéry, the aviator and author, there is an acute accent on the first "E" of his surname, which does not belong on capital letters.



EUROPE: MAVE YOU POTENTIAL?

Starting a new business is a tough job. Taking on the Euro-pean market from day one is even worse. The Euroleaders programme has shown that it can be done successfully.

Each year, around twenty dynamic entrepreneurs are selected. Unlike many other business competitions, the winners don't something which will really help them get their new business off to a flying start in Europe.

They participate in special in tensive seminars provided by top business school speakers, along with individual counselling from experts. The aim is to help each Euroleaders candidate to develop a pan-European business plan for presentation to a jury at the end of the programme. Those who make it through this process can then join the dynamic-Euroleaders Club.

The fast lane to European entrepreneurship

EUROLEADERS '95 IS SUPPORTED BY









Please post or fax this form, before May 5th, 1995, to ALAIN GALLEZ EBN 188 A AVENUE DE TERVUREN 1150 BRUSSELS BELGIUM Fax: (Int. + 32) 2 772 95 74

REPLY FORM Please send me more information about the 1995 Euroleaders operation COMPANY (IF AUREAD) CREATED]....

It really works - and so will you! If you want to be part of this exclusive elite of highly-successful trans-national entrepreneurs, you need to be deter-mined, ambitious and capable. You also must have an exciting, innovative business project with international potential.

The total cost for each candidate is mainly covered by the sponsors. Each selected candidate must raise 5000 ECU towards these costs - part of the test of your potential is finding this

If you think you have what we are looking for, fill in the reply form and send it to us. We will supply more information. If you can then convince our selection committee that you have the potential, you could be one of the fortunate few.

Holding back old age

Victoria Griffith on the benefits of a natural drug

HEA, an anti-ageing hormone, is gaining some respect in the scientific community after years of being disparaged as an unrealistic "fountain of youth" drug. The US National Institutes of Health dedicated \$1m the drug this year and says it may soon increase that amount. And the New York Academy of Sciences has scheduled a oational confer-

ence on the hormone in June. DHEA. dehydroepiandrosterone, may have the power to help an old body to function like a young one, say its sup-purters. The steroid hormone. created in vast amounts by young humans, begins to wane

when people reach their late 20s. At the age of 80, most peo-ple have just 5 to 10 per cent of their peak level of DHEA.

Scientists believe this decline may be partly responsible for the frailty that comes with age. If DHEA is boosted in elderly may be able to confront infections and diseases with more youthful vigour. "DHEA could be used in a

similar way to oestrogen therapy in post-menopausal women as an overall health treat-ment," says John Nestler, a University of Virginia professor. Scientists believe the drug may be effective in battling age-related illnesses, including cancers and pneumonia.

Because the drug is a natural hormone and therefore hard to patent, it may have difficulty attracting the attention of pharmaceutical groups. "One reason more people haven't jumped on DHEA is that there are problems in protecting its

Hormones can be patented for specific use, however, and research oo the steroid is now being focused on precise treat-

While it may not be the foun-tain of youth, scientists hope DHEA will eventually be used to strengthen the elderly's resistance to disease. If they succeed, the hormooe could become an important general

BILINGUAL MASTER: IN BUSINESS Administration

IESE International Graduate School of Management established the first Bilingual (English-Spanish) MBA Programme in the world. The 21-month programme



 Interactive learning based on the case method in two of the most important languages of commerce.

· A truly international environment with students from over 25 countries and an internationally recognized faculty.

 Exchange programmes with prestigious business schools around the world such as LBS, Kellogg, Wharton, MIT. Chicago, Columbia, Duke, and Berkeley.

 Active Career Management Centre with strong links with the international business community.

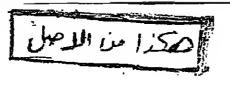
Network of 15.000 alumni living in 64 countries.

For information, please contact the MBA Admissions Department Avonida Pearson 21-08034; Barcelonar Spain Tel (34 3) 205 42 88 Fax: 34 3: 280 H. TT E-mail: MBAinte@JESEles

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Stephanie Cox-Freeman on +44 0171 873 3694



ADJUST STATES OF THE BIGGEST DESCRIPTION OF THE

Management Buy-out. You need experience. You need a company with more than 35 years' knowledge of this market. A company that has so far completed over 1,400 MBOs. 3i. As well as providing capital, we'll help you and your team safely through negotiations. And with our commitment to long-term investment you can rest assured our support doesn't end there. Now, the biggest decision of your career needn't be something you lose sleep over. For more information or your nearest regional office call 0171 928 3131 \$\frac{1}{2}\$

BUSINESS AND THE LAW

INTERNATIONAL PEOPLE

New chairman for Arco

■ Mike R. Bowlin, 52, president and chief executive of Arco, takes over as chairman in July from Lodwrick M. Cook. Cook. 66 will remain a director and Bowlin continues as CEO. ■ Timo Peltola, president of Huhtamaki, to chairman of Unitas, the Finnish banking group which recently merged with Kansallis-Osake-Pankki. Paul Caatellan, 58, steps down in May as chairman of

France, becomes chairman. ■ David C Winn, 45, former general manager of American Express Bank (France), to general manager of IBM's personal computer business in Europe, the Middle East and Africa. He succeeds Donald R Friedman who is returning to the US as strategy director for the IBM Server group.

BP France. Michel de Fabiani.

49 chief executive of BP

■ John Coomber, 45, chief executive of Swiss Re (UK), Stefan Lippe, 39, chairman of Bavarian Re, and Bruno Porro, 49, deputy head of the Latin American/Spain/Portugal department, have joined the executive board of Swiss Re. tbe world's second biggest reinsurance company. Peter Frey, 62, joint head of group division reinsurance, has retired and Wolfgang Gemund, head of group division insur-ance, will leave Swiss Re following the sale of its insurance

Franz Nendeck, 50, chairman of Hannover Papier, to be chief executive of Sappi Europe, the European arm of the South African paper group, from 1 May. He will join the Sappi board in Johannesburg.

Jean-Marie Descarpentries, chairman of Compagnie des Machines Bull, has replaced former Bull chairman Bernard Pache on the board of France

■ Juhani Yli-Paavola, 60, chief executive of Metsä-Botnia Group, has joined the management board of Metsä-Serla, the Finnish forestry group. Ari Antsalo becomes head of a new printing papers division.

■ Gay Evans of Bankers Trust International, is chairman of the International Swaps and Derivatives Association (ISDA) for a second term.

■ Peter Somaglia, 45, replaces Ernst Funk as head of Swissair Cargo. Funk has become head of Market Intercontinental.

■ Michael P. Connors, 39, a senior vice president of American Express Travel Related Services, to senior vice president and human resources chief at Dun & Bradstreet. ■ Baron Jacques has retired

from the boards of Rothmans International and Rothmans International NV ■ Alfred Heinzel to chief executive of Papierwerke Waldhof-Aschaffenburg (PWA), the German subsidiary of Svenska Cel-lulosa, Europe's largest for-

estry group.

Peter Thorner, acting chief executive of Ames Department Stores, to chief financial officer of Bradlees, the US discount department store group.

Paul van der Wel, 50, head of

McCain Gronp's European business, has joined Goodman Fielder as chairman of the executive board of Meneba NV. its European Foods operation. ■ Charles A. Hinrichs, chief credit officer for Boatmen's National Bank of St Louis, to treasurer of Jefferson Smurfit

■ Glenn F. Tilton, to senior vice president of Texaco Inc. ■ Anthony H. Ransom, 48, vice president exploration at Homestake Mining. to chief executive of Amarado irces in Toronto.

■ Kenkichi Nakajima, general manager of Yamaichi Securities' financial institutions department in Tokyo, replaces Tokuo Ukon as chief executive of Yamaichi International (Europe). Ukon becomes head of the international planning department. Noboru Aiba, general manager international business department, becomes president Yamaichi International (America).

■ Jacquie Perryman, previously vice president of Arista Soundtracks, to senior vice president of PolyGram's new Soundtrack division in Los

■Simon Kenny to vice president and managing director of Buena Vista International Television, the sales and distribution arm of Walt Disney Television International (WDTV-I). He was formerly at Young and Rubicam Europe.

International appointments

Please fax announcements of new appointments and retirements to +44 171 873 3926, marked for International People. Set fax to 'fine'.

roposals aimed at improving the European regime for exempting patent and know-how licensing agree-ments have horrified rather than mollified industry. When the European Commission bagan consultations in 1993 on updating and replacing the patent licensing block

exemption regulation, which

was due to expire at the end of

1994, combining both the patent and know-how regimes

in a single technology transfer

hlock axemption was wel-

comed. Industry assumed a

new regulation would cut out

the overlap between the two

regimes, increase certainty and

But when the draft technol-

ogy transfer regulation was published last June industry

was horrified to discover that

the proposed changes would

increase rathar than reduce uncertainty and the number of

licensing agreements that

would have to be notified indi-

vidually to Brussels for

approval.

The commission was forced

by the outcry to postpone the

introduction of the new regula-

tion and to extend the life of

the patent licensing block

exemption until July this year.

With only three months left

the issue remains unresolved

and with the commission

unlikely to extend the life of

the patent exemption further,

tion will be brought in as the

proposal stands. If that hap-

pens, industry warns, EU com-

petitiveness could be damaged.

system was introduced each

potentially anti-competitive

commercial agreement had to

be individually notified and

approved by Brussels. As the

time taken to get a decision

began to stretch into years, the

commission recognised that

there was a need for a block

Most patent licence agree-

ments are anti-competitive by

their nature - granting an

exclusive licence to manufacture or sell a patented product

in specific part of the commu-

nity raises questions of market

share and concerns at limiting

production and technical devel-

opment. By 1985 the backlog of

agreements waiting for vetting

hy Brussels had reached such a

level that the commission

decided a block exemption was

needed. An exemption for lic-

ensing of know-how, defined as

non-patented technical know-

ledge which is secret, was introduced in 1989.

exemption system.

Before the block exemption

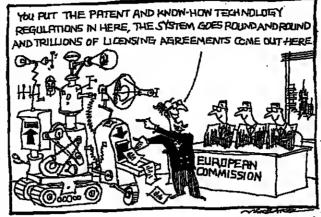
industry fears the new regula

reduce administrative costs.

Plans to ease EU rules could hit competitiveness, says Robert Rice

New tangle

for red tape



Not only can

markets change

The block exemptions set out list of things companies can include in their agreements without falling foul of the competition rules, and a blacklist of conditions which are not allowed. Provided an agreement contains no blacklisted conditions, a company can assume it is exempted without having to notify Brussels. Agreements with blacklisted conditions or where there is some doubt still have to be notified to the

On the whole the system worked Before 1985 there were about 100 notifications each year, but in 1985 itself just

can be difficult 12 egreements were notified. However, when the commission came to consider the technology transfer block exemption it decided to introduce a market share threshold test to determine whether an agreement can be included in the block exemption, it is this proposal which

has upset industry. Under the proposed new regulation, a licensee company will not be able to take advantage of the block exemption if it has a market share of 40 per cent of the geographical or product market. Neither will it qualify for the block exemption

if it has a market share of more than 10 per cent and is operating in an oligopolistic market - one where three or fewer companies together have a market share of 50 per cent, or five or less companies have more than two-thirds of the

In addition, provisions which give exclusive territorial rights to both licensors and licenses will not be exempted if the party protected has a market share of more than 20 per

shares have to he assessed from day to day, when agreement is but defining the concluded and relevant market if the thresholds exceeded the

cent. Market

have to be notified individually to Brussels to obtain an exemp-

The commission can see little wrong with this proposal. But husinesses say that very few will know their market share at any given time. Not only can markets change from day to day, defining the relevant market is notoriously difficult, they argue.

"If I bring out a new anticancer drug aimed at cancer of the prostate, it will be 100 per cent of the market for that par-ticular drug. But it might be only 20 per cent of the market

for all cancer drugs. It's a very moveable feast", says one

The net result, they say, is that rather than risk having their technology licensing agreements ruled unlawful, they will refer them to the commission for individual exemption. Just how many agreements would be notified is not clear, but the commis-sion was taken aback by suggestions from the husiness community that some big pharmacentical companies might each notify up to 100 agree-

A recent survey of French companies suggests the commission could expect up to 900 notifications from France alone every year, yet the commission has made clear that it has no new resources to devote to handling these notifications. According to Mr Christopher

Bright, a partner at the City firm of Linklaters & Paines, the bigger danger of this mar-ket share threshold proposal is that it will harm EU competitiveness. He says that if you contrast the commission's proposal with the recent US guidelines on antitrust and intellectual property it soon becomes clear that the US regime bas significant advantages over the EU's. Although the US regime includes a safe haven for agreements where the licensed company has a market share of 20 per cent or less, there are significant differences between the two.

In Europe, all anticompetitive agreements are prohibited, which means companies must seek an exemption. However, in the US, companies can take a view that their agreements escape competition rules even if they are outside the 20 per cent safe haven on the basis that the restrictions on competition are not unreasonable.

Mr Bright says the US guide lines set out a policy and this provides greater certainty, and adds that many European businesses may be tempted to take advantage of that.

Industrialists agree with that

view. One hasinessman remarks: "If the commission persists with its proposal then given the choice I would rather license a US company in the US to manufacture the product in the US and then sell it into Europe. Licensed manufacturing is going to move out of Europe. The European consumer will still get the benefit, but European in-

Ruling on trade in narcotics

The European Court of Jusruled on European regulations applicable EUROPEAN to trade in parcotics for medi-COURT

by the 1961 Single Convention on Narcotic Drugs, in response to questions from the High. Court in London. The questions arose in a judicial review brought by Evans Medical and Macfarlan

Smith against the home secretary challenging an import licence granted Generics (UK). The narcotic was diamorphine, an opium derivative used medicinally as an analgesic. Diamorphine is covered by the 1961 convention applicable in the UK and the EU.

Until 1992 UK policy prohibited importation of diamorphine. Macfarlan had the exclusive right to manufacture it in powder form from concentrated poppy straw imported from non-KU states, and Evans had exclusive UK processing and marketing rights. The practice was justified by the need to avoid illicit trade and ensure reliable supplies. The home secretary rejected

an application by Generics for an import licence. But in judicial review proceedings he accepted his refusal was not justified under Rome treaty free movement of goods rules. The home accretary informed Evans and Macfarlan

in August 1992 he had authorised Generics to import e consignment from the Netherlands, explaining past policy impeded intra-community trade. He said reliability could be guaranteed in compliance with European law via introduction of a tendering scheme.

Evans and Macfarlan challenged the validity of his reasoning. They argued the free movement rules did not apply to parcotics because of treaty rules safeguarding rights and obligations arising from the 1961 Convention. Even if they did apply, exceptions justified refusal of an import licence. They also argued the home

secretary should have satisfied himself the new tendering system could be implemented. that it was compatible with the convention and that It made it

supplies of diamorphine for the National Health Service.

ने प्र

Rejecting the Commission's claims that the High Court's questions were irrelevant, the court said they should be answered so the national court could determine whether the change in national practice was necessary to ensure com-pliance with European rules.

The home secretary had decided prohibiting imports contravened European law since reliability of supplies could be guaranteed within the framework of the public supply contracts procurement direc-tive. On the basis of the ECJ's replies to its questions the national court would have to decide under its national law whether his decision should be set asida for error of law.

The Court ruled free move ment rules applied to national practice prohibiting narcotic drug imports. Treaty rules on international agreements before UK accession, could not prevent application of those rules unless the practice was necessary for the member state to comply with obligations to non-member countries.

But it was for the national court to determine the obligations imposed and their effects, in particular, whether quota allocations were required by the obligations and whether allowing imports would make sufficient controls impossible.

Free movement exceptions did not permit import controls to safeguard the sole licensed manufacturer's viability. But they might apply if public health required reliable diamorphina supplies and there were no measures less restrictive of intra-community trade.

The Court also ruled Com-munity legislation applicable to awarding public contracts permitted bodies to award supply contracts on the basis of the tendering firm's ability to guarantee reliability and continuing supplies in determin-ing the most economically advantageous tender.

C-324/93: R v secretary of state for the home department, ex parte Evans and Macfarlan; intervener Generics, ECJ FC. March 28 1995.

BRICK COURT CHAMBERS.

OUR CHAIRMAN

DANON EUROPA N.V., RO. BOX 2262, 1180 EG AMSTELVELN, THE NETHERLANDS

BUSINESS NEGOTIATIONS. WHICH IS WHY WE'RE WORKING FOR

FUTURE GENERATIONS. OUR R&D CENTRES IN EUROPE AND AROUND THE WORLD ARE GENERATING EXCITING NEW IDEAS - TO IMPROVE BUSINESS COMMUNICATIONS AND BRING PEOPLE CLOSER TOGETHER. OUR MANUFACTURING PLANTS IN COUNT-LESS COUNTRIES ARE PRODUCING PRODUCTS THAT ARE EVEN MORE ECOLOGY FRIENDLY. ALREADY, CANON OFFICE EQUIPMENT IS SETTING FAR HIGHER STANDARDS. BUT IT'S STILL JUST THE BEGINNING. WE WANT OUR FUTURE CHAIRMAN, OR CHAIRWOMAN, TO BE PART OF A PEACEFUL AND PROSPEROUS SOCIETY. ALONGSIDE

SO, TOGETHER, LET'S CARE

YOUR OWN CHILDREN.

TUESDAY APRIL

Maria Inc. Inc. His Court Said The

STREET, STREET range of wednesd AND DARKET THE WASTER THE PARTY OF THE PAR Section 1 Since Services Barrier ... An inches of the second THE OF THE WALL OF MALES LA William . The state of the s Set thinks !--

The Court of the Court The state of the s before the Language Mencer 225 325 3 Andrew Maries Co. The same of the sa to comply a COMPANY TO AND ADDRESS OF THE PARTY OF THE P show transport and the same Daniel was Manager Tere re-A CONTRACTOR OF THE PARTY OF TH Service Court of the Court of t

William ! Part Mary Mary Section 1 THE PROPERTY OF THE PARTY OF TH The state of the s The Court - Table TO AP ACUTE TO THE Bereit Charles Control Tale transfer -Marketty (1) Printed Street St. A Commence of the second

TIEST IN THE STATE OF THE STATE the same of the sa THE TAX #******* The state of the s inh E

4 **新疆** 2/40 1114. ·· **A**

7-1

2

B125

Kei

200

ARTS

Ballet / Clement Crisp A joyous revival in Copenhagen

ville's ballets - those ancestral treasures of the Royal Danish Ballet - always lament the fact that so many of his works have been lost. He produced more than 30 works during hia half-century (1829-1879) as ballet master, lancer and teacher in Copen-

hagen. Of these, the Danes have tept half a dozen full-length ueces in continuing perfornance since their creation, ogether with a few shorter ems. They provide a portrait f a man whose dance genius still potent, atill communicave of a joyous delight in ovement, a sterling sense of leatre, and a moral integrity iat saw art as a guide to

ian's highest aspirations. Our view of him is necessarly partial, since ballets significant in their time - historical dramas; tales rooted in Nordic mythology - have fallen from

the repertory. Latter-day attempts at "reconstruction" have been well meant but less than likely, as we saw with stagings of the inng-lost epic Lay of Thrym, and Abdallah. What audiences adore and want is more of Bournonville as provider of iovful dance and no less joyful

drama. Now, splendid to report, an echt Bournonville work has been rescued and revived. Last week the Royal Danish Ballet gave the first performance in 60 years of A Newspaper Courtship - part of which is known to us as The Conservatory This latter is a hallowed

Bournonville fragment, a scene

set in the Paris Opéra dance studios of the 1820s, where Bournonville learned to dance under the tutelage of the greatest teachera of the aga. His training - that elegant French schooling - was the basis of his later achievements as a pedagogue, and his style, the Bournonville school we see today, is still shaped by that

instruction. The Conservatory or A Newspaper Courtship was made in 1849 as a ballet-vaudeville, the happiest of comedies. It told how the director of the Paris Conservatory, M. Dufour, decides not to marry his housekeeper, Mile Bonjour, and instead advertises for e hride. whom he will meet at a restaurant at St Germain en Laye.

ow his pupils contrive to trick him by dressing up as prospective brides, and how everything is happily resolved, is the matter for two acts of the most charm-

ing, sunny dance and mime. How the ballet has been restored to the stage is a no less happy, and characteristically Royal Danish, story. The Danes (unlike certain companies nearer home) know that dancers as they age become valuable as teachers, mime artists, exemplars of past traditions and values. So the Bournonville repertory has always been enriched by mime, hy small dance roles, that are gloriously performed by artists no longer able to hound with youthful joy through the most exacting steps. Respect for dra-

matic playing has always been

part of the Royal Danes' iden-

I reported last year on Niels Bjorn Larsen's jubilee performance - aged 80 - as a grand Coppelius. And it is Larsen who is one of the rescue team for The Conservatory, together with his daughter. Dinna Bjorn, and the eminent dancer and teacher Kirsten Ralov.

The Conservatory was last seen in its entirety in 1934. when Larsen appeared as a waiter (but had his eye on the role of M. Dufour) and Kirsten Ralov was the little girl whose aspirations to become a dancer are part of the plot. Together they have now restored the lost second act and the dramatic scenes which frame the celebrated classroom sequence

in Act One. Their task might seem formidable after 60 years, but conti-nuity of Bournonville performance by the company, the living example of how dramatic scenes must be given in other Bournonville works, and the Danish Ballet's respect for its own traditions, mean that The Conservatory as I saw it last week has an authentic "feel". This is not a dinosaur reconstructed from one verte hra - however careful or loving in restoration - nor an approximation. It is the real and splendid thing.

dancing bright, the playing Chief praise must go to Tommy Frishoi as a M. Dufour pompous, vain, wholly crediand wonderfully engaging. No less praise for Kirsten Simone as Mile Bonjour. Forty years ago, when I first saw ber, Mme Simone was the loveliest

young dancer in the company.

The narrative is happy, the



Respect for dramatic playing: Heidi Ryom in the celebrated classroom scene of 'The Conservatory'

She is beautiful today, and her dramatic skill - the subtle shifts of emotion; the pouts and mock fainting and uphraidings and sweetness of character - give the rnle a wonderful richness of

feeling. The rest of the company are entirely at ease in the comedy as they are in the dancing. Lloyd Riggins, as leading dancer and inspirer of intrigue, pulls off a delicious Charley's Aunt impersonation and Lis Jeppeson is no less merry

as a masked beauty. But joy, as so often with Bournonville, fires every step, every action. It touches, sub-

limely, the work of Johan Kobborg as a soloist in the hallowed classroom sequence. This young artist provides dancing as near perfect as we are meant to see in a Bournonville ballet: he shows us the old master's joie de vivre and joie de danser

The ballet has been fetcbingly designed by David Walker: his café terrace at St ing the staging of Giselle made

Germain an especial pleasure. The score by Paulli contains a couple of nice touches: the overture is much given over to Weber's Invitation to the Dance and rightly so - and also

quotes a Chopin waltz. The Conservatory is the nicest of gifts to the dance world and should not he missed. (It will be in repertory this season in Copenhagen. and on view in Paris in September.)

The Danes were also show-

by their director, Peter Schaufuss. The production seeks, and finds, drametic logic while properly respectful of Romantic convention.

It looks good in Desmond Heeley's designs, and is played with the right emotional fervour by its cast; I was moved by Rose Gad's mad scene. which showed Giselle inexorably driven to suicide, and by the coherent presentation of the first act tragedy.

Royal Theatre, Copenhagen.

Elegance written in stone

he Henry Moore Institute in . one of the galleries. Its rectangular form, berant work of the early and mid-1980s. an elegant and carefully chosen exhibition of some of his most recent

from earlier in his career. Cox has long been fascinated with stone and the history of stone carving and modelling, and this destre has led him to spend time working abroad. His first residence abroad was in Italy from 1979; he then ... worked in India from 1985 and was most

recently in Egypt. Invited there in 1988, Cox was given permission to extract stone from the Imperial Porphyry Quarries in the Eastern Mountains to make a work as a gift from Britain to Egypt for the opening of the New Cairo Opera House. He was the first

sculptor since antiquity to have had access Since then he has been exploring the possibility of extracting stone from the quarries of Chephren, builder of the second of the Great Pyramids, whose funerary statues were the last to use the diorite

Cox now wishes to use again. Cox loves the challenge of supremely hard stone, and his mastery of it is well demonstrated at Leeds by the dark crimson Imperial porphyry of "Chrysalis" 1989-91, from the Tate Gallery Collection, and the huge green "interior Space" 1995,

in Hammamat breccia, specially made for the show. This piece, a hollow cube more than

Leeds is celebrating the work of smoothly polished on the walls, left rough British sculptor Stephen Cox with on the top, is pierced on one side by a narrow slit, the stone from which lies like a marker on the ground in front of the work, shown in conjunction with pieces dark entrance it has opened into the shad-

owy interior. Peering in to this silent space is hriefly evocative of all those hurial chamber fantasies sprung from the faded pictures of Howard Carter opening Tutankhamun's tomb. The mystery here, however, is that of the stone itself, its gleaming green surface at once impenetrable and infinite.

Cox was born in Bristol in 1946 and trained first at Bristol and Loughborough and finally at the Central School in London from 1966-68. His work then was minimalist, exploring grid-like structures in installations and repetitive rectangular elements in metal. Ocor-based pieces. In the 1970s, his work hegan to show a

preoccupation with surface, explored both

in paintings using varied materials such

as zinc or lead primer or red oxide and in sculptures made of cast plaster or cement in simple rectangles shown leaning against the wall singly or in groups.

Examples of these are included in the Leeds show. Its carefully considered juxtaposition of old and new work makes clear that whether individual pieces are described as "painting" or "sculpture" one of the principal concerns of Cox's work has always been surface, whether this be the dense simplicity of plaster or concrete

Then, first living in Italy, he experimented with relief carving and also made wallbased narrative or figurative pieces.

His move to India brought a new material - hlack gramte, sometimes annointed with oil - into his repertory, and gave him access to a new realm of mythology and a different approach to the human figure. In each location Cox has undergone a learning process, open to the culture of past and present, experimenting and comhining both in work which can be personal, and often olayful, as well as monu-

mental. His travels have also allowed him

to explore working methods, learning tra-

ditional techniques from the teams of local carvers who have assisted him, especially in India and Egypt. To point this out is not to seek to undermine the premise of the Leeds show, but rather to agree with the point it seeks to make: that Cox's latest work is his strongest, his most mature, precisely because it succeeds most completely in combining the ancient traditions of the art of sculp ture, which for centuries and in all cultures has embodied humanity's need to make images for contemplation, with the

of pure form.

Lynn MacRitchie Stephen Cox. Surfaces and Stones of Egypt, The Henry Moore Institute, 74. The Headrow, Leeds LS1 3AA. 0113 234 3158.

modernist recognition of the significance

Theatre / Alastair Macaulay

Trainspotting misses t is always a curious spectacle when an exercise in social and/or psychologi-

cal realism turns into a display of theatrical style hecomes, indeed, a form exhibitionism.

Last year, Tom Courtenay's award-winning solo performance in Moscow Stations was actually less about its subject a Russian alcoholic in decline - than about the art with which this was delivered. "What a performance!" everyone said, rather than, "What a theme!". It is surely no accident that Trainspotting, Harry Gibson's stage adaptation of Irvine Welsh's 1993 novel, has

the same result, for it shares with Moscow Stations the same director, Ian Brown. Much of Trainspotting is certainly entertaining. An account of drug culture in the seamier side of modern Edinhurgh, it keeps up a strong supply of smutty/dirty/shocking anecdotes designed to appeal to the ghoulish/squea-

mish adolescent side of its audience. The genteel side of Edinhurgh is hardly mentioned: a

fleeting reference to the first

more. The mentalities of drug addicts young woman talk and play are vividly articulated. Gradually, however, the mood darkens until the most horrific episode - a man injecting heroin

into his own penis - which can only appal. But this works on us less as theatre than as reportage. Whatever the merits of Welsh's novel. Gibson has not made it into much of a play.

Sometimes he attempts to preserve features of the fictional method - Character A: Stay cool, man"; Character B: "- says Johnny", and so forth in the ironic style that has been so wittily perfected in the adaptations of Giles Havergal (Three Men in n Boat, etc), but the irony has little effect on us here. (Again, the resemblance is surely no accident. Havergal is a house writer/director at the Glasgow Citizens Theatre. where Trainspotting had its

stage dehut in Mayfest Seldom do characters acquire an inner variety that

makes for unfolding moment-

day of the festival and little by-moment drama. There is an enthralling and unterly charm-Swear words proliferate, ing scene at the end of Act One Gritty Scots humour abounds. when two young men and a

together with complete sponta-

neity, the tone changing all the

time between tenderness, fun.

pain, ardour. But usually there is no flexihility to each character in each scene. Instead, the fixed quality of each character - notably the males - is delivered up to us for maximum colour as a stunt. Mark the feckless subversive outsider. Franco the foul-mouthed mecho sexist. Tommy the dumh sweet-

ie...hang bang bang. Acting becomes show-off virtuosity.

The four actors - Ewan Bremner (Mark), James Cunningham (Tommy), Susan Vidler (Alison), Malcolm Shields (Franca) - perform all this well, and the exhibitionist recklessness of Bremner's commitment, carrying most of

the evening, is most impres-But the core of Trainspotting, as a play, is dead.

At the Bush Theatre, W12.

Defence of criticism **Alastair** Macaulay replies

he playwright Simon Gray, whose West End play Cell Motes closed following the disappearance of its leading actor Stephen Fry, has added to the debate on criticism. In a letter to the London Evening Standard, Gray said thet Fry cited reviews as a reason for his sudden departure.

"He felt personally humilieted by some accounts of his own performance, most particularly by one in the Financial Times," the letter said.

My words about Fry were: "It must have seemed an especially astute stroke of surprise casting to have Stephen Fry play the spy. Fry is the all-time façade: so damnahly English on the one hand, and so perplexingly inexpressive on the other. Watching a façade, however, is not a lot of fun in the theotre. You watch ell those unvielding and unbending cnhic feet of Fry's great body, and yon listen to that snave, clnhhahle, heartless hesso profondo voice of his, and time passes very slowly."

No review can adequately reflect the complex nature of a work of art, hnt the effort to echieve that adequacy is the aim of the critic, and is what gives a critic truest pleasure in work. Ironically, it was on Fry that I came nearest to capturing adequately my feelings about the evening.

I wrote not for Fry - who shortly before opening night suggested that he had reached that point of wisdom when an artist no longer reads his reviews - but for the readers of the Financial Times: these who had seen the play, those who might consider seeing it, and those who, witbout ever seeing it, wanted informed opinion (or opinionated information) about it. Having read none of Fry's books and having seen next to nothing of his television work, I bore no ani-

mus agalnst him. Fry has spoken of critics who set out to hurt feelings. If they exist. I try not to rank among them. Hurt feelings and injured friendships are. sadly, an occupational hazard. But I prefer the pursuit of rigorous criticism to that of some mutnel appreciation society. No one was forcing Fry to appear on a West End stage where herter turns have received worse stonings. His disappearance from Cell Mates

was an act more irresponsible than any of his reviews. If Fry had ended his life, as was feared at one time, the news that my review had done most to make him feel "humiliated" would have caused me immense pain; and his reaction to these reviews continues to cause me no small perturba-

tion of spirit. The terrible truth, however, is that I would not unwrite my review if I could. And Gray's letter leaves the reader in doubt. Does Fry feel that my words humiliated him hy being more malicious than any other reviewer's? Or hy being more judicions? Sometimes critics are right - this is another occupational hazard and sometimes it is this truth

INTERNATIONAL

BERLIN OPERA/BALLET Deutsche Oper Tel: (030) 34384-01 L'Italiana in Algert: by Rossini. Conducted by Ion Marin/Carlo Rizzi, produced by Jérôme Savary;

7.30pm; Apr 5, 8, 12 Lucia di Lammermoor: by Donizetti. Conducted by Marcello Viotti and produced by Filippo Sanjust; 7.30pm; Apr 6 Onegin: music by Tchaikovsky. Premiere at this venue, choreographed by John Cranko,

produced by Reid Anderson and Jane Bourne; 7.30pm; Apr 9 (7pm), The Girl of the Golden West: by Puccini. A new production conducted by Paolo Olmi and produced by Frank Corsaro. Soloists include Gallna Kalinina and George Fortune; 7.30pm; Apr 4, 7

Staatsoper unter den Linden Tel: 1(030) 200 4762 Der Rosenkavaller, by Strauss. Nicolas Brieger directs this new production. The sets are designed by Raimund Bauer and Donald

or the polished patina of porphyry. The exhibition does not show Cox's exuhead high, occupies almost the whole of

Runnicles conducts; 6.30pm; Apr 4, BONN

GALLERIES Kunst-und Ausstellungshalle Tel: (0228) 9171 236 Russian Museum of St. Petersburg: third in "The Great Collections" series. The museum in St Petersburg houses e collection of 500,000 works from which 500 works have been selected for this exhibition to represent 500 years of Russian art and culture; from Apr 7 to Aug 13 (not Mon)

LONDON CONCERTS Barbican Tel: (0171) 638 8891 Yo-Yo Ma: cellist with the London Symphony Orchestra, Sir Colin Davis conducts Tippett and Elgar whila Leon Kirchner conducts the UK premiere of his own "Music for Cello and Orchestra"; 7.30pm;

Apr 12 Queen Elizabeth Hall Tel: (0171) 928 8800 Andreas Haefliger, piantst players Beethoven, Schubert and Mussorgsky; 3pm; Apr 9
Cermina Quartet: with pianist Andreas Haefliger plays Beethoven, Debussy and Brahms; 7.45pm; Apr

Royal Festival Hali Tel: (0171) 926 Bach: St Matthew Passion: with the Bach Choir and the English Chamber Orchestra. Sir David Willcocks conducts; 11am; Apr 9,

Michael Nyman Band: with the

Orquesta Andalusia de Tetuan.

and the second s

Special concert in which Nyman writes for a group of virtuoso musicians who have an understanding of his work: 8pm; Apr 8 The London Philharmonic: with soprano Amanda Roocroft. Roger

February 16-May 8.

"Lieder eines fahrendenden Gesellen" and "Symphony No.4"; 7.30pm; Apr 5

Nomington conducts Mahler's

GALLERIES Royal Academy Tel: (0171) 439 Poussin: more than 90 works by the French artist. Centerpiece of tha exhibition is the two series of the

"Seven Sacraments"; to Apr 9 OPERA/BALLET English National Opera Tel: (0171) 632 8300

Don Giovanni: a new production

of Mozart's opera. House debuts for

director Guy Joosten and conductor

Markus Stenz; 7pm; Apr 5; 8, 11 Madam Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Apr 4, 6 Royal Opera House Tel: (0171) 304

Peter Grimes: by Britten. Directed

by Elljah Moshinsky and conducted

by Edward Downes; 7.30pm; Apr 8,

 Salome: by Strauss. A new production directed by Luc Bondy and conducted by Christoph von Dohnányi; 8pm; Apr 7 Siegfried: by Wagner. A new production directed by Richard James and conducted by Bernard

The Prince of the Pagodas: by

Haitink; 5.30pm; Apr 4

Britten. Kenneth MacMillan

choreographs this Royal Ballet

production which opens a Benjamin Britten "mini festival" at the Royal Opera House: 7.30 pm; Apr 10

MADRID GALLERIES Fundación Coleccion

Thyssen-Bornemisza Tel: (91) 420 André Derain: approximately 70 paintings selected to represent the painter's different artistic periods;

from Apr 4 to Jul 10 NEW YORK CONCERTS

Avery Fisher Tel: (212) 875 50 La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Finre; 8pm; Apr 8, 11 (8.30pm) Pelleas et Mélisande: by Debussy. A new production by Jonathan Miller. Conducted by James Levine; 8pm; Apr 4 The Ghosts of Versailles: by Corigliano. Produced by Colin Graham, conducted by James

 La Traviata: by Verdi. A new production conducted by Yves Abel and directed by Renata Scotto. Soloists include Janice Hall/Oksana Krovytska and Stephan Mark Brown/ Richard Drews; 8pm; Apr 6, 8 Lucia di Lammermoor: by Donizetti. Conducted by Christopher

■ PARIS

Keene and produced by Tito

Capobianco; 8pm; Apr 9 (1.30pm),

Levine; 8pm; Apr 7, 12

Champs Elysées Tel:(1) 49 52 50 50 Philharmonic Orchestra of St

Petersburg: with violinist Shlomo Mintz. Youri Temirkanov conducts Prokofiev: 8.30pm: Apr 12 Philharmonic Orchestra ol St Petersburg: with violinist Martha Argerich. Youri Temirkanov conducts

Prokofiev; 8.30pm; Apr 12

OPERA/BALLET Châtelet Tel: (1) 40 28 28 40 Peter Grimes: by Britten. A new production by Adolf Dresen with Jeffrey Tata conducting that Philharmonia Orchestra; 7.30pm; Apr

Opéra National de Paris, Bastille

Andrei Serban, Maurizio Benini and

Lucia di Lammermoor, by

Donizetti. A new production by

Tel: (1) 47 42 57 50

Roberto Abbado (from April) conduct the orchestra and chorus of the Paris National Opera; 7.30pm; Apr 5, The Masked Ball: by Verdi. Conducted by Antonelin Allemandi and produced by Nicolas Joël. Soloists include Gegam Grigarian

and Gaetan Laperriere; 7.30pm; Apr

■ WASHINGTON CONCERTS Kennedy Center Tal: (202) 467

4600

 Jessya Noman: soprano with pianist Ann Schein in a programme of works by Berg, Strauss, Raval and Messiaen; 7pm; Apr 10 National Symphony Orchestra: with pianist Barbara Nissman. Barbara Yahr conducts Kernis, Prokofiev and Rachmaninov; 8.30pm; Apr 4 (7pm) National Symphony Orchestra:

Elizabeth Schulze conducts Berlioz's "Symphonie Fantastique"; 8.30pm;

OPERA/BALLET Washington Opera Tel: (202) 416

 Carmen: by Bizet. A new production with Denyce Graves in the title role. Ann-Margret Pettersson directs a production by Lennart Mörk. Conductor Cal Stewart Kellogg. In French with English

surtitles; 8pm; Apr 4, 7, 9 (2pm)

Arena Stage, Fichandler Theater

THEATRE

Tel: (202) 488 3300

 I am a Man: directed by Donald Douglas. Recreation of the Memphie garbage workers' strike of 1968 and the civil rights movement; 8pm; to Apr 9 Horizon's Tel: (703) 519 9123 Kindertranaport: by Diane Samuels. Jane Latman directs a play about the repression of memories in

Nazi Germany and the aurvival of a

Laughter on the 23rd Floor. Nail

woman and her relationships; 8pm; to Apr 4 Kennedy Center Tel: (202) 467

Simon's play set in the 1950s

heyday of television comedy;

7.30pm; tn Apr 23 (not Studio Theater Tel: (202) 332 3300 Rhinoceros: by lonesco. Joy Zinnman directs the Absurdist's comedy warning all the dangers of conformity; 8pm; to Apr 9 (not

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ

that artists cannot bear.

EUROPEAN CABLE AND SATELLITE BUSINESS TV (Central European Tima) **MONDAY TO FRIDAY**

NBC/Super Channel:

FT Business Morning 10.00 European Money Wheel Nonstop live coverage until 14.00 of European business and the linancial

markets

17.30

Tonight

Financial Times Business Tonight Midnight Financial Times Business

The European Commission's move to get a grip on its finances should enhance its political authority, says Lionel Barber

European Commission headed by Mr Jacques Santer has begun to put its house in order.

Changes in financial management and personnel are under way that one day might merit a business school case study. If the reforms take root, they will amount to a revolution for an institution oftan criticised for its spendthrift

At stake is the future role of the Commission, the Brusselshased executive arm of the European Union responsible for executing an annual EU budget of more than Ecu80bn (\$105hn). Without reform, it risks being blamed for fraud and waste, and could suffer a further decline in its political

During the tenure of Mr Jacques Delors, Mr Santer's predecessor between 1985 and 1995, the Commission's responsibilities expanded. It took on with relish new jobs such as adminstering the multi-hillion dollar aid programmes to post-com-

munist eastern Europe. But Mr Delors showed more interest in the big idea than the balance sheet, and never got to grips with managing his own organisation. "The Commission is like a company which has just gone through an explosive period of growth," explains a senior Commission official. "Now the accent must

be on consolidation." Mr Santer, who served iointly as Luxembourg finance minister and prime minister, is now emphasising value for money. The new atmosphere in Brussels also reflects the infinence of Austria, Finland and Sweden, the wealthy but penny-conscious states that joined the European Union this

The task of the reform effort has fallen to two Nordic commissioners; Mr Erkki Liikanen, an energetic former Finnish finance minister who has taken charge of the budget, and Mrs Anita Gradin, the Swede in charge of the justice affairs portfolio and the fight against fraud. As newcomers, they are hetter placed than most to create a new "budget

Even the most partisan supporters of the Commission concede that hudget management has never enjoyed much status inside the organisation. Officials who work in the budget directorate cannot aspire to the

Reform begins at home



Liikanen, budget commissioner: setting up network of high-flyers

power and influence over policy wielded hy a senior UK Treasury official or a French

inspecteur de finances. The lack of political stature hampered Mr Peter Schmidhuber, the German budget commissioner who left Brussels last January. He left behind a memo which offers a disturbing analysis of the prohlems of financial management inside the Commission.

The chief difficulty is that many Commission departments pay more attention to the content of policies than to evaluating how much they will cost, or how easily they can be put into effect, Too often, evaluation is left to outside firms. The principle of sound finanmanagement is not acknowledged as a general maxim," says the memo.

Second, budget implementation - spending allocated resources - remains eecond-rate. On the one hand. small businesses working under contract for the Commis sion have to wait months for payment. On the other, money is wasted because the rules on public procurement are not strictly observed when award-

Third, lines of responsibility for monitoring spending are blurred. A Commission department can spend funds once the staff of Directorate-General 20, which is responsible for financial controls, give their stamp of approval. But after that hur-

dle is overcome, the controls

relax. "There is no follow-up,

confirms a senior Commission

official. "Responsibility disap-In fairness, the Commission is too easily hlamed for waste and mismanagement. Although it has responsibility for executing the budget, member states themselves spend 80 per cent

of the funds.

MORNING?

BBC Warld is the largest broadcast news-gathering network, with over 250

carrespandents world-wide. They can bring you the latest global news, as it

Ta find out what's gaing an, call your local cable operator ar satellite dealer.

happens, with a background knowledge na other broadcaster can match.

o what is to be done? The first step is to strengthen compliance with existing rules. To this end. Mr Lijkanen has started to create a network of high-flyers specialised in financlal management. Each is charged with tightening controls in each department. Each can expect a fast track to promotion, "It will be like doing your military service," says a Brussels official.

In future, all directors-general will have to complete mission official,

stints as financial managers.
This would be a break with the past; some directors-general have elipped into Brussels have elipped into Brussels thanks to political patronage back home.

Mr Litkanen has acknowledged that such changes would amount to a revolution in persounel management. He appears determined to blunt the excesses of the "flags system", where top jobs are allocated to countries according to complex quotas. The member states will resist

Yet Mr Santer has indicated he intends to fight. He gave Mr Liikanen joint responsibility for hudget and personnel when he assigned portfolios for the 20 commissioners last October. Furthermore, he agreed to let Mr Lifkanen vet all important spending proposals from individual commissionera before they go to the full Com-

A second step is to repair the Commission's relations with the Luxembourg-based Court of Auditors, which delivers an annual report on the execution of the budget. In recent years, public awareness of EU fraud and mismanagement has grown as the court has delivered a series of stinging reports; but the exercise has degenerated into political stale-mate amid mutual recrimina-

Mr Santer recently made peace overtures over lunch with Mr André Middlehoek, head of the Court of Auditors For the first time, each Commission department will have a civil servant charged with staying in touch with the

All these steps are taking place within the present legal framework; but Mr Lilkanen is also talking about "a new part-nership with the member states". This may suggest new rules or proposals for legislation later this year, the idea being to put the onus on member states to do more to tackle abuse and fraud.

More broadly, the Santer Commission has begun to grasp that it must sort out its own affairs if it is to exert authority in important matters such as European monetary

Unless the Commission tight ens its own financial controls. how can it tell member states to slash budget deficits and cut public spending in order to join Emu? "Our own credibility is at stake," says a senior Com-

Europa: Holger Schmieding

Decline of enthusiasm



20th century. Germany was a place apart in Europe. During the first 45 years, it was the epicentre of

European turmoil. Too strong to acquiesce to the role of a mere equal among other European countries, it started two world wars. Too weak to take on France, Britain, Russia and the US at the same time, it lost both. For the next 45 years, Germany was a special place again. Defeated, demoralised and divided, it longed to establish credentials as a born-again

European. West Germany's Euroenthusiasm reflected another clear political rationale. As long as Germany and Europe were divided, West Germany had few interests other than close integration with its western neighbours. Since eventual reunification appeared feasible only with a pan-European solution. Germany saw European political union almost as an end in itself. The Maastricht treaty was

the ultimate incarnation of this view. German reunification took place without political union in Europe, but in the treaty Germany agreed to sac-rifice the Bundesbank for vague progress towards that end However. Maastricht stands on quicksand. The premise on which it is huilt. that Germany is "special", no longer holds. The new united Germany hears little resemhlance to the pre-war hully. It has become a country very little different from other large European nations.

Like its neighboura, Germany will come to weigh up agreements such as Maastricht on their own merits, rather than as part of some undefined political grand design. As a result. Germany's enthusiasm

For most of the for European political union per se appears set to decline substantially. Ultimately, Germany may support such a project only to the extent that political union promotes its specific interests - another sign of convergence between German attitudes and its

> Unfortunately, Maastricht may not stand a critical German re-examination. The pro-visions for monetary union do little to address Germany's concerns about the stability of money. Even at face value, the convergence criteria setting . down EU members' eligibility

for Emn are not ambitious. The first big snag is that the criteria are bound to be even more interpreted in a very soft way." Few people can imagine mone-

sels, the seat of most Euro-institutions. But if Belgium, with a ratio of publicsector debt to gross domestic product of 140 percent, is to be let in, the 60 per cent debt criterion needs to be stretched rather

tary union that

excludes Brus-

The second snag is the lack of serious constraint on fiscal deficits after Emn is established. If the criteria are to be breached even before the Bundesbank is abolished, what will prevent worse deviations thereafter? Any residual discipline would probably be lost in the usual scramble for Euro-

To rectify Maastricht's birth defects, Bundesbank representatives have called for a political union that is strong enough to impose fiscal discipline from above. The idea is not very convincing. Why should a European superstate run a better fiscal policy than the sum of its fiecally independent members? The experience of Germany and the US does not suggest that federal governments do a better fiscal job than state governments.

In any case, the nations of Europe would hardly agree to hand to Brussels their power to tax and spend. The subsid-iarity principle would suggest decentralisation rather than centralisation of most fiscal policies. And financial markets are much better at punishing profligacy and rewarding fiscal virtue than Brussels could ever be.

Emu may

mental confer-

ence to review

Maastricht.

However, on

present indica-

tions, the con-

Currency turmoil not, strictly can only make the speaking, be on the agenda of average German next year's

reluctant to let anybody but the Bundesbank run monetary policy

ference agree hig changes to the treaty. If that is the outcome, the likelihood that Germany will indeed abolish the Bundesbank in 1999 appears small.

Which German politician will really want to fight Ger-many's federal election in late 1998 on the platform that he will shortly implement an unpopular currency union with countries which do not even really meet the Maastricht criteria? Recent currency turmoil can only foster Germany's pride in its own currency, and make the average German even more reluctant to let anybody but the Bundesbank run monetary policy.

Germany's conversion to a country that believes in co-operation but is also aware of its peculiar interests should not spell the end to European progress. But Europe needs to re-think its approach.

dieorder, as Mr Michael Sturmer, the German historian, has put it. European countries need to forge stronger political co-operation. But this should not be through a vain attempt to impose fiscal discipline from Brussels. Instead, Europe should concentrate on an effective pooling of defence policy to prevent further aggression as seen by Serbia in the former Yugoslavia. A political union with emphasis on defence and for-eign policy could make Europe a safer and better place

Even a monetary union need not be a bad idea if it con-serves a Bundesbank-style commitment to sound money. The European exchange rate mechanism has sometimes exerted a salutary influence on its members because it projected Bundeshank rigour beyond Germany's borders. In a future Emu, arbitrary Brussels criteria would not impose this type of discipline

H, on the other hand, the statutes of a European central bank were to include an exitoption. Emu's commitment to Bundesbank-type principles would be improved. Each country could he allowed, for instance, to reintroduce its national currency if European inflation went above a certain level – say, 3 per cent for more than two out of any four years. European central hankers

would thus face the constant threat that they could be out of a job if they botched their task. This threat that the Bundesbank could he resurrected would concentrate their minds wonderfully on what it takes to preserve the value of a Eurooption could crucially improve the German public's present low acceptance of the Emu

The author is senior economist at Merrill Lynch in Frankfurt

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed in +44 171-873 5938 (please set fax to fine). Translation may be available for letters written in the main in

A fallacy about economists

From Professor Lord Desai. Sir. Robert Chote has put together the usual sort of clichés about the nature of economics and of economists ("Decay of the dismal science". March 28). He repeats the common fallacy that somehow ing in economics is an obstacle to good policy analysis. But the most influential arguments that economists have been able to advance in recent years the lack of trade-off between inflation and unemployment came out of a rigorous argu-

ment by Professor Robert

Lucas, who was able to per-suade his fellow economists only because he stuck to abstract theory rather than waffle about political economy. Indeed, all good political economy needs a sound basis in economic theory, as Adam Alfred Marshall proved.

The economists who are the prominent policy advisers -Jeffrey Sachs, Rudiger Dornbusch, Lawrence Summers, Stanley Fischer, Michael Bruno, and in the UK, David Currie and Patrick-Minford -have all done their hard theoretical work in preparation of their work as policy advisers. Indeed, if they had not done so and won the respect of their fellow economists, they would not be credible as policy advis-

There is no conflict between policy advice in economics: it is merely different phases of the life cycle of the economist.

The Centre for the Study of

Global Governance, London School of Economics, Houghton Street London WC2A 2AE, UK

Harassed by over-zealous inspectors

From Mr Bryan Cassidy MEP. Sir, Francis Maude is right in his strictures about the flood of regulation from both Brussels and Whitehall ("UK must try harder to cut red tape", March 20). Can I add three further concerns to his list?

First, although the flow of Brussels primary legislation (such as parliament and council directives) has slowed substantially, as is witnessed by the 'C' series of the official journal of the European Communities which since January I seems to be full of calls for teoders, the flow of secondary legislation (commission directives and regulations) contin-ues unabated, as a glance st the 'L' series of the official journal shows. Most of these are drawn up by national civil servants (including British) meeting behind closed doors in

Brussels – a process known in Euro-jargon as "comitology". Second, the tendency of Whitehall to "gold plate" EC measures continues despite the deregulation initiative. EC proposals become law in the UK as statutory instruments made under the European Communities Act 1972. Often they are laid before the Commons when it is in recess!

Third, small businesses are harassed by over-zealous local inspectors who seem to think that their job is to put small companies out of business. (The annual report of the Health and Safety Executive two years ago boasted of its "blitz" on small businesses).

Napoleon is credited with the remark that the British were "a nation of shopkeepere" Today he might remark that we seem to have become a nation of inspectors. Bryan Cassidy.

97-113 Rue Belliard, 1040 Brussels, Belgium

J.M. Wire. 28 Pemberton Road.

Keep smokers right side of the border

From Mr Hugh Caldwell. Sir, Your article, "Forget

your passport - Europe's frontiers start to fade" (March 25/ 26), about the plans to speed passengers through Brussels Airport under the Schengen arrangements was welcome news. As a frequent user of the airport, I find there is one feature of it which certainly does not make me want to hang

Although the terminals are plentifully decorated with nosmoking signs, some aggressively unpleasant individuals choose to ignore them. The fact that nothing is done to stop them is perhaps the result of an inexplicably indulgent attitude towards some of their uglier customers rether than incompetence on the part of

the airport management.
Who knows? Perhaps the "extra staff" laid on to guide passengers to the right area might point out to those hlow-ing smoke around the termi-nals that they are liable to substantial fines. Paesengere

passing through the immense corridors and marble halls of the new terminal have a legal right to a clean and comfort-able atmosphere free of tobacco smoke, but the airport authorities have not ao far thought fit to meet their ohligations. I rether wish they would. I don't see the sense, commercial or otherwise, of allowing the present degree of annovance.

Hugh Caldwell, Clos du Cinquantenaire 2-B8, Brussels B-1040, Belgium

Record shows that Brookings not outgunned

From Mr Henry J. Acron. Sir, In one short news squib on the current search for a new president of the Brookings institution, the Financial Times managed to show that it does not know who is on the short list, to write ungrammatically, and to comment nastily ahout Brookinge' current standing ("No yen for it", March 24).

The article alleges the grand old Brockings Institution... seems to have lost its way and ... regularly gets out-gunned by the more ideological rightwing" organisations such

as the American Enterprise Institute and the Heritage Foundation.
Really? A count of citations

in five leading US newspapers (The New York Times, The Washington Post, The Wall Street Journal, USA Today, and The Christian Science Monitor) reveals that Brooking scholars are cited twice as often as staff from either the American Enterprise Institute or the Heritage Foundation. A count of citations of four leading weeklies (Business Week, the Economist, Fortune and

Time) reveals that Brookings

scholars are cited nearly twice as often as staff at Heritage and three times as often as staff at the American Enter-prise Institute.

We at Brookings hope and expect to continue to be "out-gunned" in this fashion. Dare we hope that the Financial Times will write so that Ita opinions are not outgunned by the facts.

Henry J. Aaron, director of economic studies, The Brookings Institution. 1775 Massach Avenue, N.W. Washington D.C., US

Investing for changes in climate

Sir, The last lines of your editorial "Cool air at Berlin summit" (March 27) say "it would be disturbing if costly measures on a global scale were adopted to combat a threat where the margin of. uncertainty is still so large". This must be a great relief to banks and insurers, whose Reinsurance Association of America president, Mr Frank . Nutter, said in December 1994 that "Climate change could bankrupt the industry". Between September 1989 and September 1994 there were 15 separate weather disasters, each costing more than \$1bn.
It is reckless for an august body like the Financial Times to abandon the concept of the precautionary principle when climatologists and financiars are at last beginning to agree that global warming does exist...

Ecuts

2-..

1 20 E

Investment in measures to cut emissions and improve... energy conservation will always be cost-effective in cutting fuel hills, improving health and revitalising local economies.

Surrey KT8 9LH, UK

Low-priced rolling stock

From Professor W.P. Bradshau.
Sir, It was announced on March 20 that many international leasing companies see opportunitles in the sale of British Rail's 11,000 locomo tives and passenger carriages and that government believes fibn will be raised as a result.

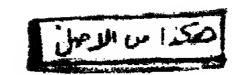
Another announcement said BR had invited bids to supply 160 new electric carriages at an

anticipated cost of £150mi. The conclusion that can be drawn from these figures is that the whole of the British Rail passenger fleet is likely to be sold for less than the cost of renewing the rolling stock of South East Trains, one of the 25 train operating companies being offered for franchising. This no doubt presents an opportunity for leasing companies, particularly as the le will not be subject to regula-tion, but surely disposal of 50 much rolling stock for so fittle money will be at the expense of the railway passengers and the taxpayer? Bill Bradshaw,

Centre for Socio-Legal Stu University of Oxford,
Wolfson College, Oxford OX2 6UD, UK

BBC

IN DEPTH, IN FOCUS, INFORMED



FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Tuesday April 4 1995

Contract with Republicans

This Friday, when the US Congress goes into Easter recess, the Republican party's Contract with America will be almost 100 days old. The contract, launched with the Republican landslide in November's mid-term congressional elections and intended as a manifesto for a radical shift to the right, has had some notable successes. But it has so far achieved less than its advocates hoped. And the policies which it has pushed through into legislation includa some which are to be regretted.

MESDAY APRILA

And the second

Sharper and the state of the st

NOO E PROPERTY

Contract.

Trans.

Type or to

with the second second

Se tout

da yay

AL PRO CUI

BUTOP

1

anate

The Address of the Ad

-(2 50 A

THE PROPERTY.

THE PERSON NAMED IN

The European

Last Wednesday the contract suffered its first big defeat in the House of Representatives, with the loss of tha constitutional amendment limiting the terms of senators and congressmen. Earlier this year, the Senate also rejected the contract's "balanced budget" amendment. While economically flawed, the proposal underpinned the Republicans' claim that their numbers added up, and that tax cuts were not irresponsible.

it would be an exaggeration to say that the rejection of these two central planks means that the contract has failed, or that voters will now conclude that all politicians renege on promises.

· For a start, the contract strictly did no more than promise to bring these issues to a vote. That it has done. Moreover, it failed to get the two proposals through only by a small margin. While the term limits proposal failed to get the necessary two-thirds support, it did secure an overall majority - surprising given the antipathy to the measure even in pockets of the Republican party. The balanced budget proposals lost by just one vote in the Senate. The contract has also achieved several of its authors' goals, including a muchneeded reform of congressional practice, extending swathes of employment legislation to con-

Republican harmony

The contract can also be credited with uniting the Republican party. It remains to be seen whether the present degree of for-mony survives the presidential race. But the achievement should not be dismissed the unity maywall have given the Republican presidential candidate a mora solid platform from which to run.

unsurprising that the contract has run into serious obstacles. Much of it was incoherent, and the past three months have witnessed the inevitable crunch when an ideological manifesto meets reality. It deftly caught voters' antigovernment mood, and their exas peration with the incumbents. But it may have mistaken that shout of frustration for revolution. Public passion on the issue of term limits appeared to peak last year, and had ebbed some way by the time of the vote.

Moreover, the pell-mell pace instigated by the contract threatens to produce rafts of bad legislation. For a party which describes itself as conservative, it adopts an astonishingly cavalier approach towards amending the constituthere have been only 27 amend ments; these now risk being swamped under the contract's

Flaws in reforms

The proposal for reform of the tort system ranks among the con-tract's least thoughtful measures. There is no question the system needs change, given the escalation of costs and damages in the US courts. But the contract's proposals (now successfully through the House of Representatives), which introduce the "loser pays" principle, threaten to make legal action inaccessible for poorer people.

Even more importantly, the implications of the welfare reforms, which bave already passed through the House, may be similarly harsh for the least well-off. The contract has also unhelpfully polarised the budget debate between those who favour regressive tax and entitlement changes and those who countenance no change at all.

The contract has given voice to public fury with politicians. But its recent setbacks reflect the way that its advocates may have overestimated the appeal of the individual causes it champions. While it can be credited with sthring up the political debate, it has coars-ened its terms, and begun to push through crude laws whose ramifications have yet to become clear. It has served its authors well as a Contract with Republicans, but does not yet deserve to be called a

Tax cuts and the Tories

Wa have it on the authority of Sir Winston Churchill that democracy is the worst possible system, except for all the others. If so, the others must be truly dreadful. In France, Mr Jacques Chirac is leading in the race for seven years of two percentage points lower than virtually untrammelled political - in 1979-80, the government would power on a platform built of inter-nal contradictions. In the UK many in a desperate Tory party think it sensible to follow two years of tax increases with a promise to cut them again over the next three Are alectorates really so forgetful and myopic?

Mr Norman Lamont's last Budget and Mr Kenneth Clarke's first two proposed increases in taxation that amount to £13.9bn in 1995-96. just short of 2 per cent of GDP. Partiy because of these tax increases, but also because of plans for tight control over public spending and unexpectedly rapid economic growth; a public sector borrowing requirement that peaked at 7 per cent of GDP in 1993-94 is now forecast to disap-

pear by 1998-99. The hright new idea of some Tory dreamers is for the government in commit itself to an elec-tion-straighting programme, to cut the basic rate of tax from 25p to 20p in the pound, which would cost the Treasury about £10.5bn. If one allows for a modest overshoot on plans for public spending - to cover increased pay to teachers and nurses, for example - the amount raised by the three last Budgets could wall disappear

Politically astute move

is a plan to raise taxes sharply when the economy is just recovering only to give almost all the money back when it is at full capacity, anything other than mad? Politically, it may not be. The government has raised taxes in relatively invisible ways. To lower them again in more visible ones could prove rather clever. It could be no less politically astute to raise taxes on people who are never likely to vote Conservative and, after a suitable delay, lower them on people who are. The tax increases of the past couple of years were not particularly clever in this respect, since they were not regressive, in contrast to tax changes in the 1980s. But a large reduction in the basic rate of tax would make up for that oversight, if oversight it was.

This is no more than fiscal prestidigitation. What determines the burden of taxation is the ratio of public spending to GDP. In 1995-96, it is expected to be 42% per cent. Since this is less than two percentage points lower than have been foolish to implement large overall tax cuts. It has merely reshuffled the tax burden with the overall ratio of general government receipts to GDP in 1995-96 at 38% per cent, precisely what it was in 1979-80.

Optimist's view

The Treasury now forecasts the ratios of general government spending and receipts to GDP at very close to 40 per cent in 1998-99. The short-sighted optimist might argue that this is more prudent than required. A reduction in the tax burden - through cuts of less than 2 per cent of GDP - would hardly seem disastrons.

Maybe it would not be, but it would certainly not be prudent. Remember, first, that the disap-pearance of the fiscal deficit is forecast at what is almost certain to be a cyclical peak; second, that public spending is forecast to grow at the implausibly low rate of less than I per cent a year in real terms hetween 1995-96 and 1998-99: third, that much can gowrong with the economy and the fiscal position, as was brutally demonstrated in the early 1990s; and, last but far from least, financial markets are in a mood to punish savagely any government whose commitment to fiscal prudence is questionable. Anyone who believes that the credibility of the UK is now such that the gilt and foreign exchange markets would be unaffected by a proposal to reverse most of the tax increases of the last couple of years is day-dreaming.

It was a great - and insufficiently applauded - achievement to make the UK's public finances look impregnable. It would be the height of folly to throw that achievement away. Carefully articulated tax reform is a good idea. A programme of tax cuts balanced by spending reductions is also justifiable - and would provide some distance between government and opposition. But the proposals now being floated are absurd. They should be put in Mr Major's dusthin.

s the world's currency markets continue to batter the dollar, the sharp rise in the yen is causing increasing concern among Japan's business executives and bureaucrats.

Yesterday the US Federal Reserve joined the Japanese central bank for the first time in several years and intervened in far eastern markets in another attempt to drive down the Japanese currency.

But as the yen brushed off attempts to restrain its ascent, the view was growing in Tokyo that the time had come for a more dramatic change of course to address the economic fundamentals that have pushed the currency so high.

Those familiar with the progress of psychological traumas will have little difficulty recognising the response of the Japanese authorities to the current crisis.

First there was denial. For a while, the Bank of Japan and some members of the government would not accept that the yen's rise posed a real threat to the economy. Last month, Mr Yasuo Matsushita, the governor of the central bank, said: "It is hard to believe that the high yen will curb the recovery that is proceeding naturally."

But as the effects on exporters and the wider economy became clearer, denial gave way to blame. The government accused speculators and even other governments for pushing the currency higher. The main cause ia apeculation, helped by the inaction of the US authorities to defend the dollar," said Mr Masahiko Komura, director of the Economic Planning Agency.

Now the reality has seeped in. Last week, Mr Yutaka Yamaguchi, director of policy planning at the Bank of Japan, acknowledged that the "tempo" of recovery had slowed, and that the central bank needed to act to assist recovery. Meanwhile the country's newspapers are filled with increasingly urgent calls from cabinet ministers for something to be done to stop the yen's ascent.

The real risk for Japan is not that

a strong recovery is being derailed by the yea's surge. The bigger problem is that the recovery was never that strong to start with, and is in danger of disappearing altogether. For three years from 1990, Japan's growth rate declined, turning negative in 1993. Last year, gross domes tic product edged back up slightly, growing by about 0.6 per cent. The return to positive growth last

year cannot properly be termed a recovery, bowever. Japan's long-term trend rate of growth, while much lower than the 10 per cent average achieved in the 1950s and 1960s, is still estimated by most economists at between 3 per cent and 3.5 per cent a year.

The government and the bank acknowledge that a soaring yen will

A troublesome trajectory

Japan has yet to devise a strategy that can deal with the rise and rise of the yen, says Gerard Baker

Rising yen: reality sinks in

force the growth rate down, deepen-ing the recession. But there is little sign yet of a significant shift in policy. Instead the bank prefers to sit tight and let what it sees as a temporary storm blow over.

As the bank claims, there have been short-term and speculative factors behind the yen's surge in recent weeks. But they have themselves been driven by much more important fundamental ahifts in capital flows that favour the yen.

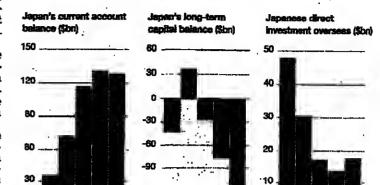
The most important cause of the appreciation of the Japanese currency is the country's success as an exporter which creates an enormous current account surplus with the rest of the world. In the past, that surplns has been counterbalanced by net exports of long-term capital, in two main forms: direct investment - for example, in companies and property overseas; and purchases of foreign stocks, bonds and other investments Until 1990, the capital outflow was

roughly equivalent to the current account surplus. Japanese investors were happy to huy foreign compa-nies and securities which they saw as having sufficient value in their own right - they did not require a significant exchange rate incentive (that is, a much lower dollar) to buy

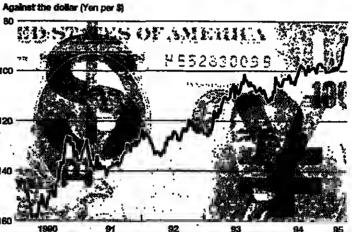
But after 1990 something extraordinary happened. Instead of recycling the yen surplus, Japanese companies began adding to it. The long recession in the country reduced the appetite for overseas investment. And after the yen's earlier rise in the late 1980s, Japanese corporations, investment trusts and life assurance companies had lost billions of dollars on their foreign assets. In 1991, there was a long-term capital inflow of more "After 1990 the investment envi-

ronment overseas for Japanese companies deteriorated sharply," says Mr Takashi Yamanaka, senior economist at Sanwa Research Institute, research arm of Sanwa Bank. "The burst of the bubble in asset prices weakened almost all financial institutions, while foreign investments became less attractive. Pear of further losses from a ris-

ing yen made more companies bring their investments back home. Even



Against the dollar (Yen per \$)



though the net outflow of long-term capital resumed in the next two years, it was far smaller than the current account surplus. That created a shortage of yen worldwide to pay for Japanese exports, forcing up its exchange rate further - particularly against the dollar, since the largest single element of the surplus is a large trade gap with the US. The gap bad to be met hy short-term money - capital flows that are much more volatile. Last year it sppeared that the pro-

cess might have begun to reverse itself. Japanese long-term capital again began flowing abroad at levels which almost equalled the current account surplus of

However, these flows were not all that they seemed. The bulk was in yen bonds issued overseas, usually by Japanese companies outside the country taking advantage of lower costs of borrowing abroad. Euro-yen are counted as foreign securities, but they do not represent an exchange risk to a Japanese buyer woo can repay them in yen. The Japanese are estimated to have bought \$65hn in Euro-yen bonds

Japanese investors will return to

foreign markets in numbers only when they are convinced that the yen has stopped rising. They do not believe the yen has touched bottom because they do not yet believe that the country's current account sur-plus has stopped growing. Until they are sure of that, they will continue to prefer to hold yen.

This week marks the beginning of the new financial year in Japan. when Japanese institutional investors traditionally make their portfolio allocations for the new year. With the yen's strength underlining the risk of holding foreign assets, few are planning to increase their holdings of overseas assets in the

That presents the Japanese authorities with a bigger challenge than ever in trying to halt the appreciation of the yen. In principle, the yen's rise should help in reducing the current account surplus by making exports more expensive - but that is likely to take years. Despite an appreciation of more than 50 per cent in the yen's exchange rate against the dollar in the last decade, the current account surplus has hardly changed. Even if tha high yen brings down the surplus, it will be at the cost of a badly hruised economy.

🖥 he alternative is to to stimulate consumption Japan's chronic economic deficiency. But while consumption has been rising as a proportion of final demand, it has not risen enough even to begin closing the current account deficit.

And efforts to increase imports by eliminating the panoply of regula tions that hinder them have been too half-hearted. The government's latest and long-awaited reform package announced last Friday disappointed yet again by stopping well short of the sort of measures that would induce consumers to spend sufficiently to reduce the current account surplus. Even if the pace of reform, it would be a long time before the effects fed through.

A more immediate move to raise consumption would be a monetary stimulus in the form of a sharp cut in interest rates. Yet when the central bank cut money market rates last Friday, it contented Itself with trimming money market rates, refusing to cut the more significant official discount rate.

Yesterday the markets responded predictably. The yen shot to another all-time high, and the stock market plunged to its lowest level for two and a half years. Until the authorities respood with

the eagerly awaited and symbolic interest rate cut, the yen and the stock market seem set to continue to head in opposite directions.

Economic logic lies behind the backlash against environmentalism, says Bronwen Maddox

ot many delegates at the international impheres international jamboree on global warming, which ends in Berlin on Friday, have been carrying copies of Small is Stupid - Blowing the whis-tle on the Greens. The book, by Wilfred Beckerman, a recently retired Oxford University economics professor, sets out to debunk some of the most cherished prophecies of doom peddled by environmentalists. So strong are the arguments which he musters against the supposed threat of global warming that if delegates heading for Berlin had read his text they might well have turned back

at the airport.

The book is just one of several published in recent months attacking the claims of greenery, including two by environmental journalists, Life on a Modern Planet by Richard North and Down to Earth by Matt Ridley. Such books are seen rightly - as signs of a backlash against the environmentalist move-

Retreat of the greens failed to convert that interest into dictions of the degree of warming

Rarth Summit in July 1992, the mood is now one of scepticism and

come about

Public awareness of environmental issues has risen steadily in the past 15 years in western countries, and support for campaigns has remained steady during recession. But "green" parties have largely political power. The German Greens, while rallying slightly at the moment, have suffered defeats in successive national and European elections in recent years. In contrast to the enthusiasm which western politicians and the media displayed at the Rio de Janairo

One reason for the change of sentiment, as all three authors argue, is that many people are fed up with alarming prophecies which fail to happen. Green politics would have had an easier time in recent years if the shortages of food and energy much-forecasted in tha 1970s had

In the case of global warming, scientific knowledge is still incomplete. Scientists agree that concen-trations of carbon dioxide and other "greenhouse" gases are increasing in the atmosphere because of people's activities. But they are far from agreed about the possible consequences, and some respected preand of the rise in sea level have been revised down several times. Moreover, it has become clear

that the costs of taking steps to reduce the threat are high, and deeply unpopular with industrialists and the public in many coun-

nergy taxes were the mea-sure favoured by western governments at Rio to curb carbon emissions. Yet proposals for such taxes have stalled in the US and European Union, while the UK government's introduction of value added tax on domestic heating fuel embroiled it in one of

Its flercest political contests.

A third factor behind the backlash is the difficulty of reconciling some environmentalists' goals with the aspirations of many developing countries. Such conflicts came to a head during the Uruguay round of the General Agreement on Tariffs and Trade. Harsh criticism has been levelled at those western environmental groups which appear to put the preservation of forests and landscape in poor countries above the needs of their people for energy, refrigeration, and higher incomes. Many environmentalists would

argue that the contradictions identified hy the "backlash" authors are more apparent than real. "Sustainable development" - meaning eco-nomic growth without overexploitation of natural resources has become the catchphrase in environmental circles for the way of addressing the needs of poor countries. It has also become the central plank of many governments' environmental policies. However, Beckerman has per-

formed a public service by showing that the "sustainable development" concept is often meaningless. The phrase originally evolved from studies of the threat to tropical forests and whales. In those contexts it has a clear meaning: some policies will allow the trees and whales to survive, others will not. But when extended more widely, the meaning

becomes slippery.

Almost all human activity con-

sumes natural finite resources such as fossil fuels. Environmentalists have therefore tended to abandon definitions of "sustainability which suggest that the environment should be preserved intact.

Instead, many interpret sustainahllity to mean that "well-being" should be preserved. In this equatioo, manmade capital such as schools and hospitals can compensate for the erosion of the environment. But as Beckerman adroitly points out, this is no different from the traditional economists' goal of maximising welfare. Green economists might put a higher value on the environment in that equation. but the concept adds nothing

The vocabulary of sustainability appears to offer a way to avoid tough choices, to balance "environmental and economic needs", another favourite phrase of green strategists.

However, the lesson of the three years since Rio is that preserving the environment presents people with uncomfortable and inescapable dilemmas. They choose to protect the environment much less often than green lobby groups would

OBSERVER

Brussels bouillabaisse

■ Hacks spend most of their lives fishing for decent quotes, not least the 800 or so hard-bitten scribblers comprising the Brussels' press pack. The scraps they are fed normally come from anonymous press spokesmen, but two involved in the EU-Canadian fish fracas have become media figures in their own

Peter Guilford, the 34-year-old Brit who has served Sir Leon Brittan since joining the commission in 1991 after a spell at The Times newspaper, is fluent in French and Spanish, skills which endear him to the multilingual press corps. Now popping up on Brifish radio and TV, he honed his ability to field tricky questions as spokesman during Gatt talks to settle the Uruguay Round on trade. "This is a tea party by comparison,"

This might just be the beginning of a long and fruitful relationship with Canada for Guilford. As Sir Leon's spokesman, he faces the prospect of taking the flak for negotiations between the EU and Nafta on a free trade agreement.

His Italian colleague Marco Zatterin, 33, another ex-journalist, has been ably assisting the abrasive Italian Emma Bonino, the commissioner responsible for fish. among other things. Now a regular fish war pundit on the

Mediterranean's airwayes, Zatterin might be flagging: "I did not know would be a pity; his dry humour eases the unrelieved diet of gruel served up at daily commission

Miles on top

■ Michael Miles, 58, former taipan of John Swire & Sons, the far eastern trading house, has emerged as one of the few winners in the management reshuffle at Barings. With Peter Baring and Andrew Tuckey resigning yesterday, Miles has been given the job of co-chairing the management committee of Baring Brothers, the City's oldest merchant bank.

He has always been a rather shadowy figure at Barings. After Wellington College and National Service in the Duke of Wellington's Regiment, he joined Swire in the far east in the 1950s and headed Cathay Pacific and Swire Pacific. Many regarded him as a trusted family retainer for the Swire brothers' £2bn family fortune.

He sat on Barings board as a non-executive for five years and then was suddenly transformed into executive deputy chairman number three in the pecking order

just 16 months ago. He is not a banker, although he sat on the board of the Hongkong and Shanghai Banking Corporation when he was running Swire in Hong Kong. When he was appointed

deputy chairman, it was assumed that Barings wanted him for his far eastern contact book rather than his management skills.

How wrong can you be? Miles now has the joh of rebuilding morale and stopping defections to rival merchant banks. Not that he needs that unenviable job - he remains an executive director of John Swire & Sons.

Holy Internet!

■ Good news for latter-day Luddites. Your prejudices are confirmed - the information superhighway is full of junk.

Much of the stuff on the global computer network is "rubbish", said Brian Carpenter, head of communications systems at the **European Laboratory of Particle** Physics, CERN, at a UN Internet forum in Geneva yesterday.

Net surfers need not take offence, however. By rubbish, Carpenter meant not quality but quantity. As there is no compulsory expiry date on any of the electronic data, it can hang around for years, like dead satellites clogging up a virtual

Mind-boggling stuff.

Beyond credit

■ Looks like its financially disastrous past is having little effect on Crédit Lyonnais's current attempts to drum up new business

at least when the work comes from state-owned companies. Yesterday the publicly-held Paris airports authority became the latest, signing up the bank as underwriter on a new FFr700m bond issue. If thet is somewhat breathtaking, it'a as nothing compared to Crédit Lyonnais' appointment a few weeks ago as one of the advisers to Usinor Sacilor, the state-owned steel company, on its forthcoming privatisation. The bank also just happens to be a 20 per cent shareholder in the company, and is under government pressure to sell its stake as quickly as possible.

Maybe Usinor thinks the urgency

will override any conflict of interest the bank might have in offering advice designed to push up the sale price of the shares - and hence cover its own massive losses.

Love and kisses

■ It seems that the sex life of Finnish women has become much more enjoyable in recent years. significantly enhanced by "the wonderful things they have learnt, more particularly from British and Danish boys", according to professor Elina Haavio-Mannila, the sociologist author of a new survey of sex among the Finns.

The Danes have presumably taught warm affection; and the Brits the importance of emptying the can of lager before getting into

Financial Times

100 years ago

Inside selling allegations Speech by Sir William Van Horne, President of the Canadian Pacific Raihoay, in Montreal: "Reference has recently been made in some of the financial journals abroad to what is called 'inside selling' of the company's shares, presumably by directors familiar with its affairs.

"While some of the directors have incurred heavy risks and made perhaps unwarranted sacrifices in its interest, it can safely be affirmed that no one of them has been individually benefited to the extent of one penny through any of its works

50 years ago

Holidays on end of war In view of the development of the war against Germany, the government recognises that industry will be looking for a lead regarding the arrangements for a holiday on the cessation of hostilities. So far as government factories and government services are concerned, the day of the announcement of the European cease fire, together with the day immediately following, shall be days of paid

European and Asian recovery helps biggest rise since 1976

World trade in goods jumps 9%

World trade in goods soared by 9 per cent in 1994, more than double the previous year's increase, the World Trade Organisation

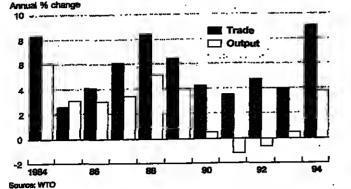
It says volume growth is the fastest for nearly 20 years.

In value terms, world merchan-dise trade rose by 12 per cent to a record \$4,000bn, boosted in part by a jump of about a fifth in trade in office machines and telecommunications equipment, including computers, computer parts and semiconductors.

That category now accounts for 11 per cent of world goods exports by value - more than food, sutomotive products, chemicals or fuels.

Further strong trade expansion is expected this year, although the WTO - the successor body to the General Agreement on Tariffs and Trade - says recent turmoil on world financial markets may mean slower volume growth than the 8 per cent its economists had earlier predicted.

The surge in world goods trade last year, the biggest volume rise since 1976, reflected a sharp Volume of world merchandise trade and output



recovery of trade in western Europe and continued expansion in Asia, North America and Latin America.

Value growth was stronger than volume growth, mainly because the weaker dollar raised average dollar prices for internationally traded goods, while nonfuel commodity prices were

Mr Peter Sutherland, outgoing WTO director-general, said in a speech in Ottawa last night that the "dramatic" 1994 trade figures were due in large measure to the successful conclusion in December 1993 of the Uruguay Round of

global trade talks. "The renewal of confidence in the multilateral trading system that came with the decision to set up the WTO, and the assurance of continuing trade liberalisation that It representa, are undoubtedly principal factors in

The growth of trade far outstripped the 3.5 per cent rise in world output of goods - a reflection, Mr Sutherland said, of the continuing integration of national economies through

However, the value of crossborder services trade grew far more slowly than merchandise trade last year, rising by 6 per cent to \$1.080hn after a decade in which it has on average expanded more rapidly.

Most regions saw rapid mer chandise trade growth last year the exceptions being the Middle East and Africa, which were affected by low oil prices. Asia increased exports and imports by more than 15 per cent, with Chinese exports climbing by nearly a third in value.

Latin America boosted exports by 15 per cent and imports by 16.5 per cent. Exports from central and eastern Europe, helped by the recovery in western Europe, jumped by almost 20 per

Sutherland warns over meddling with WTO, Page 5

Major call to Clinton on IR

By Robert Peston, Political

Mr John Major will today ask US President Bill Clinton to step up pressure on Sinn Féin to persuade the IRA to give up its vast

arsenal of weapons. The UK prime minister is anxlous to patch up relations between the UK and US governments after last month's argument over the invitation of Mr Gerry Adams. Sinn Fein leader,

to a White House reception.

In separate meetings yesterday with Mr Warren Christopher, the US secretary of state, and Mr Bob Dole, the Republican Senate

Barings top

Continued from Page 1

executives go

leader, Mr Major gave graphic accounts of punishment beatings still being carried out by the IRA. in order to increase the moral force of his arguments with the

Mr Major emphasised to both Mr Christopher and Mr Dole that there was no possibility of a UK minister beginning exploratory peace talks with Sinn Féin until It accepts the principle that the IRA's decommissioning of weapons must precede any discussion of scaling down the military activities of the British army or the Royal Ulster Constabulary in

Mr Christopher made a gesture

US administration,

towards resolving the dispute between the two governments, which arose over Mr Clinton's decision to give a US entry visa to Mr Adams. Speaking after a breakfast meeting with Mr Major, Mr Christopher said that the disnute was "now ancient history".

Mr Major also tried to lower the stakes in the contretemps. "Occasionally, there are spats as there are in the best of families," he said. "But they are very rare." However, the prime minister explicitly rejected the term "special" - used by previous UK and

leaders to describe Anglo-American understanding when describing the relationship

hetween the two governments. During the meeting, Mr Christopher gave assurances to Mr would carefully audit the destination of any funds Mr Adams was raising from the US, to ensure they are not used for arms pur-

Later in the day, Mr Major found himself at odds with Mr Dole, who told the prime minister he expected Congress to vote in the coming months for an end to the emhargo on arms sales to Bosnia, contrary to UK policy.

However, Mr Major's position on Bosnia was backed by Mr

THE LEX COLUMN

A yen for change

Nothing but a weakening of the yen i likely to spur a recovery in Japan's ailing equity market. And given the current political paralysis in the midst of what could fast become a financial crisis, there is little cause for confidence. The Nikkei average has now fallen 22 per cent this year. A rising yen has made exports less competitive. More importantly, it has had a knock-on effect on salaries in manufacturing and has created a "feel-bad factor among consumers. The longawaited resurgence in the Japane economy has therefore been pushed ever more into the distance. And falling equities have further damaged the balance sheets of a heavily invested corporate sector.

In the short term, the government needs to follow up last week's cut in money market rates with a more psy chologically important cut in the discount rate. But this would merely buy time. Japan needs to implement funds mental structural change. Deregulation of the economy would remove: protective barriers against imports, helping reduce the current account surplus which has led to currency. strength. It would encourage greater economic efficiency. And it should also spark increased investment overseas by Japanese, as fears of currency

losses were reduced. However, there are no signs that the government is prepared to bite the bullet since deregulation would cause short-term pain to the electorate. A more likely cut in its discount rate, and a rise in US rates, would buy a temporary respite to Japanese ills. But structural flaws would remain.

Volvo

Volvo's assurance that it has sought and found the best deal for its shareholders by pulling out of food and beverages cannot be taken entirely at face value. The structure of the trans-action suggests that Volvo has made a trade-off between finding an industrial, Scandinavian solution to the withdrawal, and maximising returns for its investors.

The estimated SKr8.8bn proceeds are at the lower end of analysts' expectations, but the real problem with the transaction is that Volvo has not, after all, made a clean break with foods and beverages. Far from it it has entangled itself further in non-automotive activities by acquiring a majority stake in a new beverages joint venture with Orkla. Volvo's interest in this may one day be worth the SKr4.6bn

FT-SE Eurotrack 200: 1314.7 (-11.8) ABN Antro Share price relative to the CBS General Index

attributed to it by Morgan Stanley. But the valuation basis has not been disclosed, although it looks ambitious as a multiple of more than one times the new group's sales. Moreover, the amount which eventually finds its. way into Volvo's coffers depends on immonderables such as the vagaries of the Swedish stock market in the next. year, and the management's success-in extracting synergies from the com-

hined husines Continued expessive to such uncertainties is not in shareholders' interests, and one wonders just how large were the offers for the businesse non-Scandinavian consortia: Perhaps it would have been worth accepting a slightly lower sum in return for imme diate disengagement from the noncore activities.

Repsol

The poor performance of Repsol shares in the past 18 months is a good reason for participating in the latest leg of the Spanish government's privatisation programme. The stock now appears undervalued, given the company's above-average growth potential: It is trading on a multiple of 8.7 times expected 1995 earnings compared with around 14 times for many oil majors, and is also cheap on a cash-flow basis.

Repsol's joint venture in exploration and production in Libya and its strong position in the relatively undeveloped Spanish gas market should help boost profits, as well as reducing the company's reliance on refining. Its once lossmaking chemicals business is enjoying a cyclical upturn. The shares' under-performance is largely due to the overhang of stock since the Repsol sale was postponed last year, because of The new deal has been

point m

ates US

The new deal has been clevery managed Wary retail investors have en enticed by guaranteed co tion for any fall of up to 10 per cent in the share price in the first year. ploy has proved effective the r portion of the transaction has just been increased due to the heavy line of advance orders. When the gov ment tries to sell more shares in him esa and Argentaria, both of which currently trading below the price paid by investors at the last sale, it is high to find that a precedent has been sa Other governments should take a closer look at the idea, since the guar antee is cheaper than rewarding it tors levelty with bonus shares.

UK taxes

Financial markets are unworried by talk in the Conservative party about it 200hn three-year programme of last that it would be astonishing if the government did not bribe voters with general election. The 150 basis points spread between gilt and hund yields ready discounts some such a give

away, Moreover, there is unlikely to be a problem affording fillin of the cuts. The public sector borrowing requirement would not fall as quickly as the Treasury projects. But it would continue to drop and the UK's Ascal position would still be the envy of many other European countries. The risk is less one of not having

money to pay for tax cuts than d stoking up an economy that is already growing above trend. The interest rate increases of recent months may help nip inflationary pressures in the bud. But any government that committed uself to lay cuts three years our would be giving a hostage to fortune The performance of the economy cannot be predicted with any confidence at such a distance. If fiscal expansion proves mistimed, it will have to be balanced by a more severe monetary tightening

The government has yet to receive much credit in financial markets for the tax increases of recent years precisely because most investors expect them to be reversed. If Mr Kenneth Clarke, the chancellor, can resist pressure from colleagues, the market surprises will be on the upside.

See additional Lex comment or market making, Page 28

Russia ignores US pleas to cancel Iranian reactor deal

FT WEATHER GUIDE

Barings with Mr Tuckey, would take his post as co-chairman of By Chrystia Freeland

Baring Brothers. Mr Onno van The Bank of England, which is investigating the collapse, said it had put no pressure on the men to resign.

The future of other executives who have been criticised for failing to resign may await the out-come of a Bank of England inquiry. ING bas said that It does not want to prejudge the ontcome of the inquiry by dismissing executives.

Mr Alistair Darling, Labour's City spokesman, said be did not "regard Mr Baring's departure as the end of the matter". He said it would not be closed until "effective action is taken against anybody who was at fault".

Europe today

Five-day forecast

ireland, England, the Netherlands and Denmark will have rain on Wednesday as a frontal zone moves east, Conditions in north-west Europe will then improve as high pressure builds near the UK. During Thursday, the north-west UK will

High pressure over France will slowly strengthen, giving plenty of sun with some cloud over France, Spain and the Alos. North of the high, a frontal zone will linger from northern Ireland and Scotland to the Netherlands, Poland and the Baltics. This front will separate cold air in the north from warmer air over the southern UK, France and central Europe. The front will cause rain over north-west Britain and the Benelux will have cloud Interspersed with sunny spells. Farther east, the front will become active again resulting in mostly overcast conditions The Mediterranean will be sunny and central Europe will be dry with sunny

Russia yesterday rejected US pleas to cancel a planned billion-dollar sale of nuclear reactors to Iran, and threatened to stop complying with a conventional arms treaty if Nato rapidly admits east European countries.

The twin rejections were a chilly welcome for Mr William Perry, US secretary of defence, who had arrived in Moscow as a sign of the Clinton administration's continued faith in a close Russian relationship, even in the face of criticism from a hawkish

1000

More and more experienced travellers make us their first choice.

Lufthansa

After meeting Mr Perry yester-day, Gen Pavel Grachev, Russian defence minister, put muscle behind Moscow's long-standing opposition to Nato's proposed

expanded too quickly Russla might take "counter-measures", including breaking the rules of the Conventional Forces in Europe treaty which limits numbers and distribution of troops and armour.

Mr Victor Chernomyrdin, Russia's prime minister, delivered the second rebuff by refusing to comply with one of America's chief requests, that Russia stop its planned nuclear reactor deal with Iran, which the US fears could boost Tehran's efforts to

acquire nuclear weapons.

Mr Bill Clinton, US president. is expected to raise the issue again when he visits Moscow next month.

Russian leaders also attacked Mr Perry for inappropriately rais-

fair sum fair sum fair sum fair fair sum fair

Lima Lisbon London Lux boo

Majorca Marita Manche Mantila Medico Mitami Mitam Moscov Munich Narotel Narote

feitr fain cloudy cloudy fair fair cloudy aun cloudy rain fair cloudy

ing the Iran deal during his meet-He warned that if the alliance ing with the minister of defence. ing to do with the sale of nuclear reactors," said Mr Victor Mikhailov, the nuclear energy minister, who was at Mr Perry's meeting with the prime minister.

Mr Perry told Mr Chernomyrdin that the US "does not share Russia's confidence" that tight controls on spent nuclear waste from the reactors would ensure Tehran did not use the material in a nuclear arms programme.

The country [Iran] is awash with oil," Mr Perry said, "It is entirely clear, even to the casual observer, that Iran does not need nuclear reactors to generate elec-

"So one starts off being susplcious of why they want nuclear

WE'RE SATISFYING THE WORLD'S APPETITE FOR FIBRE.

Long before the world woke up to the potential of optical fibre, BICC saw the light.

We were investing in the technology as long ego as 1972. With the result that BICC, in partnership with Corning, is now the largest producer of optical fibre outside the USA.

is now resping rewards for our business. With the telecoms market alone set to double within a decade, the BICC Group is in excellent shape to capitalise on the global communications revolution.

Which should prove heyond all doubt something we recognised sooner than most.

Ir's a far-sighted strategy that BiccGroup

ESCINEESISE TSMOSSEW'S WELLS

Fibre is good for your business.

eun teir cloudy sun aun cloudy sun fair eun cloudy sun cloudy shower sun fair

Rangoon
Rey/dev/k
Rio
Rome
S. Frsco
Seoul
Singapore
Stockholm
Strasboun
Sydney
Tangler
Tel Aviv
Tokyo
Toronto
Vancouver
Venice
Wersaw
Warsaw

Brit is the



FINANCIAL TIMES

COMPANIES & MARKETS

OTHE FINANCIAL TIMES LIMITED 1995

Tuesday April 4 1995

Telford.

WellPoint merger creates US leader

Two California-based groups, WellPoint and Health Systems International, announced terms for a merger that will create the largest publicly-owned US managed healthcare organisation. Page 26

inper to spin off stockbroking arm Kemper Corporation, the US financial services group which has spent the last year under threat of takeover, has agreed to spin off Kemper Securities, its stockbroking division. Page 26

Tanzania takes over Meridien managem The crisis at Meridien BIAO, an independently owned bank with branches in 20 African countries. deepened as Tanzania's central bank announced it was taking over management of the bank's local operations. Page 27

Shearing Schering

Mr Giuseppe Vita, chairman of Schering, the Berlinbased pharmaceuticals company, has helped to restructure it by shedding a mixed bag of industrial chemicals, natural substances, and electroplating

Burmah Castrol trades up to £157m Buoyant trading conditions in Asia and the US last year helped lift net profits at Burmah Castrol, the specialist oil and chemical producer, from £117m to £157m (\$251m), Page 28

Highland Distillers disappoint Highland Distilleries, maker of Famous Grouse Scotch whisky, reported lower than expected interim pre-tax profits after it lost momentum in home and export markets, reversing a long trend.

Strong US sales help BemroseA doubling of sales in the US allowed Bemrose Corporation, the UK promotional and security printer. to report a 47 per cent increase in pre-tax profits for

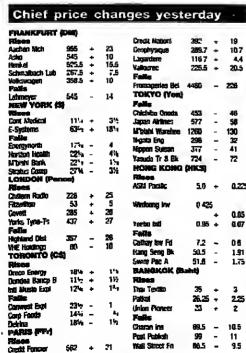
FT-SE A starts dividend cover statistics Today the FT begins publication of statistics on net dividend cover for the FT-SE Actuaries UK share indices. Net cover is calculated by dividing net earnings by net dividends and measures the ability of constituents to meet dividend payments from earnings. As announced in February, these figures replace statistics on maximum earnings yield which the FT-SE A has ceased calculating. From today the FT also begins publication of price/earnings ratios for the new FT-SE A Fledgling indices. Page 40

New highs and lows Highs and lows in statistical tables have been changed with effect from today's FT to reflect calendar year 1995 figures. The principal tables affected are the London Share Service, FT-SE A Share Indices, Rights Offers, London Recent Issues, New Highs and Lows and equity indices from overseas markets shown on the World Stock Markets pages.

Companies in this issue				
Alenia Marconi	5	Honda		
Ameritech	1	ICD	21	
Anglo-Eastern Plants	28	ICI New Zealand	2	
BHP	27	ING		
Bamford (JC)	28		2	
Bank of Tokyo	27		2	
Barings	1	Kies-Union	2	
Bernrose	28	Kobe Steel	2	
Boeing	4	Krupp Hoesch	2	
Brown & Root	5	Kvæmer		
Burmah	28	Mannesmann	2	
Burns Philo	27	Meridien BiAQ	2	
Carnas	28	Metallgesellschaft	2	
Castle Energy	27	Mitsubishi Bank	2	
Chargeurs	28	Mobil	2	
Chloride	28	Morgan Crucible	2	
Chrysler	5	NPO-ruzhoye		
Cookson	28	Orkla	23, 2	
Daimler-Benz	- 5	Peregrine investors		
Donnelley (RR)	28	PREDIT PTREMPS	2	
Drummond	28	THING GROUP	2	
Du Pont	27	RSC-Energia		
E-Systems		Raytheon Repsol	2	
El Al	7	Hepsoi	2	
Enel	24	Seagram	2 2	
Fermec		Sulzer Technology Topdanmark	2	
Ford	-5	Toshiba	2	
Fortune Oil	28	Toyota		
Framatome	a	Trafalgar House	2	
Govett & Co	23	Transocean	2	
HK Nuclear Inv Co		Vereinsbank	2	
Highland Distills		Valvo	23, 22, 2	
Hitachi	ā	Wilria	~~~~	

Market	Statistics
	010000

market stausuc	3		
AAnmual reports service	36-37	FT-SE Actuaries Indices	
Benchmark Govt bonds	34	Foreign exchange	
Bond futures and options	34	Gilts prices	
Bond prices and yields	34	London share service	36-
Commodates prices	33	Managed funds service	38-
Dividends announced, UK	28	Money markets	-
EMS currency rates	35	New Intl bond issues	
Eurobond prices	34	New York share service	42-
Fixed Interest Indices	34	Recent issues, UK	
FT-A World Indices Baci	k Page	Short-term int rates	
FT Gold Mines Index	40	US interest rates	;
FT/ISMA intl bond svc	34	World Stock Markets	



Raytheon pays \$2.3bn for defence supplier

Raytheon, the Massachusetts-hased defence and industrial company, is to pay \$2.3bn cash in an agreed deal for E-Systems, a Dallas-based defence supplier. The deal forms part of a consolida-tion of the US defence industry in response to spending cuts.

Raytheon said yesterday: This will allow us to maintain ourselves as a toptier defence company." Raytheon, best known as maker of the Patriot missile, had sales last year of \$10bn, five times

not expected to save costs through rationalisation. Raytheon said: "We don't anticipate lay-offs as a direct result of this merger. The customers and mar-kets are different, and there is virtually

no business overlap." E-Systems' business is chiefly in raconnaissance and surveillance systems for defence and government customers, and in command and control and aircraft navigation. Raytheon'a

E-Systems \$2hn. Unlike other recent defence operations consist largely of defence mergers, such as that of Lock-heed and Martin Marietta, the deal is make the aircraft, and they make the would provide a small increase in its is thought to have ended the year with electronics that go into it," Raytheon

> E-Systems has 16,000 employees and Raytheon 60,000. Raytheon has incurred heavy job losses and plant closures in. recent years, but Mr Dennis Picard. chairman, said last year that in looking for possible acquisitions, he was "not

> interested in buying lay-offs".
>
> The deal values E-Systems at \$64 per share, against Friday's close of \$45%.

would provide a small increase in its is thought to have ended the year with earnings in the first year, fell \$% to \$72. net cash. The companies said Mr Lowell

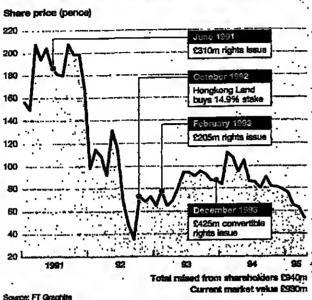
E-Systems is almost wholly a defence remain based in Dallas.

company, the new total will be almost 50 E-Systems had net earnin make further acquisitions. Net debt at earnings were \$597m.

The deal will increase Raytheon's Lawson E-Systems' chairman and chief dependence on defence work, which as a executive; would retain his position result of defence cuts and efforts at after the merger and would join the Ray-diversification had fallen last year to about 35 per cant of total sales. Since operata under its old name and will

· E-Systems had net earnings last year per cent. Raytheon said its balance sheet of \$36m or \$2.79 per share, down 22 per after the deal would be strong enough to cent after special charges. Raytheon's

David Wighton examines Trafalgar's takeover credentials Trafalgar House: how firm a foundation?



Northern bid raises be pause in Trafalgar House's battle to take over Northern Electric unwelcome interest thanks to the intervention of the UK electricity regulator - has switched the spotlight back to in internal health the predator's own businesses. It does not reveal a very

encouraging picture, and under-scores why Trafalgar needs to make a large acquisition, whether or not this is Northern. could be returned to health. When Hongkong Land took its first stake at the end of 1992. "The more you look at Trafal-Trafalgar was already in bad gar the more you realise it needs shape. The conglomerate built up by Sir Nigel Broackes over more a large, solid acquisition, if only to make use of its tax losses, than 30 years had a balance sheet Trafalgar's trading has gone that was being undermined hy the falling commercial property from bad to worse during the course of the bid for Northern, market and the disastrous acquiwhich it let lapse when the elecsition of Davy Corporation in 1991; while its core engineering tricity regulator announced a new review of the industry's pricand construction businesses. ing arrangements. Northern has which had held up through the

recession, were turning down. In the three years to September 1993. Trafalgar recorded total after-tax losses of £532m and the 1993 had to be followed by another £425m cash call at the end of the year.

months to March. Even to battle-Mr Rich contends that turning hardened Trafalgar House investhe group around was always going to be a long job. Moreover, "It had been a long haul to drag Trafalgar into the black and when the new management came on board it became clear that the to be suddenly told that it was group's problems were worse back in losses came as a nasty than expected. shock," says one institutional

Mr Rich says that one of the most striking weaknesses was in terms of financial controls. There were different accounting systems for all the different businesses and you can't take the right actions unless you've got the right information.

The new team started overaccounts at the beginning of last year, but it was only in January of this year that the new system became fully operational.

nother nasty surprise for the Hongkong Land team was the state of the Cunard cruise fleet. "The ships were suffering from serious underinvestment and earnings were on a declining trend," says Mr Rich.

The new management decided to refit its flagship, tha QE2, with in the short-term, when the ship unrealistic expectations about set sail with passengers before bow quickly Trafalgar House the work was completed.

Even without the public relations disaster. Mr Rich admits that Cunard is underperforming Its competition. Shipping profits in the year to September were flat at £7.8m, even after contributions from the newly acquired Royal Viking Sun.

The results contrast sharply with those of UK rival P&O. which has just reported a 17 per cent rise in cruise profits to £100.1m in 1994. "We hope we have arrested the decline but whethar we have achieved It remains to be seen.

rivals Mr Rich insists the ack up with the pack. He admits that margins at Ideal Homes, Trafalgar's UK housebuilder, were "awful" but thanks to the efforts of new management it is now "catching up".

In engineering, where orders for process plant appear to have bottomed, margins ara below rivals such as Fluor and Mr Rich says there is still much to do to reduce the cost base. All of which leaves a gloomy

outlook for profits. Following last month's profits warning most analysts halved their estimates for the current year to below 250m and admit that longer term predictions are pure guesswork.

Mr Rich does not dispute that the motive behind the Northern bld was to gain predictable UK earnings to bolster a group com-

posed largely of cyclical and poorly performing businesses.

If it is short of profits, it at least now has a strong balance sheet thanks to Hongkong Land. And few doubt that if it fails to win Northern It will quickly turn its attention to another target. But Mr Rich has other things

on his mind for the moment. Takeovers can be very distract ing things and I need to get back to the business." He has plenty to keep him occupied.

Volvo to sell food arms but retains interest in drinks The moves ara in line with

In Stockholm and Karen Fossil

Volvo, the Swedish motor vehicle group, yesterday took its hiegest step so far in a SKr40bn (\$5.4bn) asset disposal programme when it announced: deals worth SKr8.8bn with Orkla, the Norwegian consumer products and chemicals group. Orkla is buying Volvo'a remaining food operations, Pro-cordia Food and Abba Serfood, for SEr4.25bn and will become tha biggest food group in the Nordic region by combining them with its existing activities. The companies are also merging their beverages businesses, nig their beverages businesses, Pripps and Ringnes, to create the region's largest beer and soft drinks company. Volvo will end up with a 55 per cent stake in this venture, valued at SK14.55bn, but it plans to sell the holding before the end of next year through a stock mar-

. Volvo's strategy to concentrate on its core vehicle businesses following the collapse of plans to merge with Rengult of France in 1993. They also reflect the Norwegian group's desire to bolster its position in the Nordic region and will lift its annual sales from NKr20.8bn to NKr26bn.

Volvo's decision to opt for a Nordic solution suggests that price had not been its main concern Angle-Dutch giant Unilever, Conagra of the US, Nestle of Switzerland, and Carlsberg, the Danish brewing concern, are understood to have been poten-tial purchasers, either individually or as members of consortia. There was also surprise that

Volvo had not made a clean break with the beyerages side. Mr Soren Gyll, Volvo chief executive, insisted that tha accords with Orkla were the best solution, both industrially and financially, for Volvo'a ahareholders. The food sale will produce a SKr2bn capital gain.

the Nordic region's best known-food and drink brand names under the Orkia umbrella. They include Pripps beer, Ramiosa mineral water and Abba Seafood. Ringnes and Pripps are also the Nordic region's leading producers of Coca-Cela drinks.

The deal will be vetted by the European: Union authorities, although Norway is not an EU member, backed by advice from national authorities.

Mr Rgil Bakke, head of Norway's competition authority, yes-terday said it was not healthy for competition in the Norwegian beverage industry for Ringnes-Pripps to control more than 80 per cent of the Norwegian beer market

The drinks company will also hold 45 per cent of the Swedish beer market. In soft drinks, it will have a share of more than 60 per cent in both Sweden and Norway. ...

Lex, Page 22; Closer to the core,

Fund manager's U-turn to exit

By Norma Cohen in London

Govett & Co, the UK-based fund management company, yesterday announced it was in talks to sell its fund management businesses, after the collapse of an agreed hid to acquire Duff & Phelps, a. US-based fund manager.

The mostly paper bid was abandoned when Govett's share price slumped after an investment trust which had been managed by Govett filed a lawsuitchallenging the integrity of the. company and of its chairman, Mr

Arthur Trueger. Yesterday's move is a stunning reversal of strategy. Govett in January announced the Duff &: Phelps deal as part of its effort to concentrate on expanding its

1994, about 45 per cent of Govett's profits came from fund management. It also has a USbased insurance company, a trust management business and other investment activities.

"We were going to do the Duff & Phelps deal because we felt that critical mass is essential." Mr Trueger said. "If you can't tump to critical mass, people don't give you credit for being a fund manager," Acquiring Duff & Phelps would have roughly quadrupled Govett's assets under management to \$50bn, but the lawsuit was likely to drag on for up to two years, effectively preventing Govett from any other acquisition or business combina-

tion, Mr Trueger said.

Govett Asset Management, was the best way to realise value for them. Most of the proceeds would be distributed to shareholders. Last week, the UK fund man-

ager Jupiter Tyndall announced it had agreed to be acquired by Commerzbank at a price roughly 13 times 1994 earnings. Mr Trueger expects Govett's fund management businesses to fetch a similar price.

The two units bave assets under management of roughly \$5.1bn, and Mr Trueger said talks with at least two potential bidders were well under way. A deal within 30 days.

Govett is being advised by Bear Stearns, which owns 3.7 per cent

UK group to make Kobe excavators

By Andrew Baxter in Munich

says one analyst.

said it will not allow Trafalgar to

launch a lower bid until the new

A month ago Trafalgar warned

that, far from reporting a profit

of un to £25m (\$40m) as analysts

were forecasting, it would actu-

Institutions were not the only ones to be disappointed. Hong-

Jardine Matheson empire that

came to Trafalgar's rescue in 1993, has little to show for its

investment. The 25 per cent hold-

ing for which Hongkong Land paid around £300m is now worth

Mr Nigel Rich, the former Jar-

dine Matheson managing director

who was appointed chief execu-

tive of Trafalgar last August.

says these disappointments make his job much more difficult.
The company's credibility

with analysts and institutions is

very poor. A lot of people bave

poured money in and have had a

very disappointing return so

there." He argues that part of the

problem was that the City had

tors this was a bitter blow.

ally record a loss in the six

regime is announced.

Fermec Holdings, the UK-based company best known for its MF Industrial-brand backhoe loaders, is to make mini-excavators under liceace from Kobe Steel, the Japanese steel and construction equipment group. .

The deal, unveiled at the Bauma construction equipment show in Munich yesterday, is the most important link-up between UK and Japanese construction equipment producers since 1991, when JC Bamford formed a joint venture with Sumitomo Con-

struction Machinery. Fermec's Manchester factory will become the exclusive source of mini-excavators to be sold under the MF marque or Kobe Steel's Kobelco brand in markets outside Japan, Korea, China and

below four tonnes is due to start at Manchester early next year. Fermec will invest about \$10m in the project, including robotic welding facilities and machining centres. Fermec is aiming to have 90 per cent of components sourced from within Europe.

Fermec, formed in late 1992 through a buy-out from Massey Ferguson, the US-owned tractors and combine harvesters producer, has been looking for new products to boost its revenues. Last year it started selling its new backhoe loaders in North America through a supply agreement with Kobelco America, which makes bydraulic excavators. Mr Richard Robson, managing director, said the deal would raise its sales by about a third in

five years. In the year to Septem-

ber 30 1995, sales are expected to

Kobelco Construction Machinery (Europe), the Japanese com-pany's Netherlands-based sales arm, has been bampered in its attempts to establish Itself in the European mini-excavator market because of the strong yen.

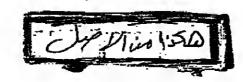
Unlike many of its Japanese counterparts which make machines in Europe through joint ventures or subsidiaries. Kobe imports its mini-excavators from Japan. It is understood to have sold less than 100 in Europe last year.

Kobe estimates that world demand for mini-excavators will grow more than 10 per cent between 1994 and 1999. It is counting on Europe, the second largest market after Japan, for much of its growth in sales. Additional reporting by David

The one thing we'll

never merge is into the backgroun

With deals worth US \$16.8 billion in 1994, S.G. Warburg was the leading adviser on European mergers and acquisitions for the fourth consecutive year according to IFR Securities Data.



INTERNATIONAL COMPANIES AND FINANCE

Vereinsbank confident of improved result this year

Bayerische Vereinsbank is confident of improving on the profit it posted in 1994, when it fared better than most German competitors in a weak environ-

"Overall, we are looking for 1995 to be a thoroughly favour-able year," said Mr Albrecht Schmidt, chairman "We expect a good result." The first two months were mixed and below target, hut own-account trading had produced a "clearly positive" result. No extra loan risks had emerged and interest rate business was slightly better. Commission business was

The bank bas already announced an 8 per cent decline in group operating profits, to DM1.06bn (\$774.5m). for 1994, with net interest income up 14 per cent. A strong performance on mortgage lending was offset by sharply lower own-account trading profits - down 98 per cent to DM7m as a result of weak bond markets - and higher staff and investment

Mr Schmidt said total mortgage lending rose 12 per cent to DM167hn (66 per cent of total lending), but interest rate margins are much lower than on normal lending business. The share taken up by property loans - up 20 per cent to DM93bn - compared with loans to local authorities rose to 56 per cent from 42 per cent of the total.

He said most of the rise in property lending came from the private bomes sector, in spite of the slowdown in new

German steel group returns to the black still opportunities in property. Vacancy rates on the comme

In the private accommoda-Krupp Hoesch, the merged tion sector, loan approvals eased by 2 per cent to DM14bn; steel and engineering group. yesterday pnt two years of heavy losses hehind it to of this, 64 per cent was in lowreport a net profit for 1994 of DM40m (\$29.2m), following a risk financing of new private homes. Approvals on the comloss of DM590m the year mercial side were 14 per cent

> Mr Gerhard Cromme, chief executive, said the group had been helped by the worldwide economic recovery and extensive restructuring since Its creation in late 1992. Group turnover rose to DM24.2bn from DM23.2bn fn 1993.

> Mr Cromme said he expected a "significant" profit this year, and hoped to further reduce the company's debts. which stand at DM4.6bn. Full results for last year will be presented on May 17, the company said.

Compared with the same period last year, sales in the first two months of this year rose 14 per cent to DM3.2bn, while new orders climbed 9 per cent to DM3.8bn, he said. Having achieved the turn-

round, Mr Cromme said the group's priority was to move more production abroad, espe-cially in the light of recent currency fluctuations which bave driven np the D-Mark. "Increasingly, the group will be producing where its clients are," he said.

Steel and engineering were the only two of the group's six divisions to bave reported losses last year, Mr Cromme said. There had been a "slight" loss on the engineering activities - where sales fell to DM2.6bn from DM2.95 in 1993

 because some companies within the division were still being dragged down by past restructuring costs.

Krupp Hoesch's steelmaking activities, the second biggest in Germany after Tbyssen, were still restrained by debts to the state government for past help with redundancies.

About balf of Krupp Hoeseb's production is bound for foreign buyers, while only 25 per cent is produced abroad. Expanding production is likely to mean further investments in Brazil and

Volvo shelves start to look bare Sale of food businesses to Orkla provides Scandinavian solution

trate on its core vehicle operations took a big step forward yesterday when it businesses to Orkla of Norway and the formation of a joint beverage concern with the

The transaction gives Volvo an immediate SKr2bn (\$271.4m) capital gain, to be booked this year, and the prospect of a further big gain when it eventu-ally sells its stake in the drinks company, probably before the

end of next year.
It also initiates the dismentiing of Volvo's Branded Consumer Products division, which is expected to produce total proceeds of around SKr20bn. Volvo has now sold husi-

nesses worth SKr12.45bn since unveiling plans last April to sell around SKr40bn of noncore assets. The disposals have yielded capital gains of more than SKr7.2bn. Each sale gives the group extra muscle in its attempt to forge a future as an independent car and truck maker, following the collapse of plans to merge with Renault of France in late 1993.

The disposal programme is being matched by aggressive investments in core busi-nesses, including a SKr5bn programme to expand European car and truck operations, and the recent move to take full control of VME, the world's fourth-largest construction and earthmoving equipment maker, for \$573m.

However, yesterday's deal is not quite as neat as Volvo would bave liked. It leaves the Swedisb group with 55 per cent of a beverages concern - to be formed by combining its Pripos unit with Orkla's Ringnes divi-sion - when it would have preferred to have sold out com-

pletely.

Analysts also questioned whether the group had fetched the best price for its food and drinks units by opting for a Nordic solution, given the strength of international interest in the sale. Nestlé of Switzerland, the Anglo-Dutch con-glomerate Unilever, ConAgra of the US, and the Danish brewing concern Carlsberg were among those showing interest, either individually or as members of consortia.

Volvo was felt to have had an instinctive preference for a Nordic solution; it wanted to keep its food and drink operations under regional control, not least because this is what management of the individual units favoured.

However, executives insisted that Orkla had offered them the best all-round deal, taking into account both financial and industrial aspects. There were also considerable tax advantages in dealing with the same partner for both the food and

Mr Sören Gyll, Volvo chief executive, said it was almost certain Volvo's 55 per cent stake in Ringnes-Pripps would be sold by the end of next year - in line with the group's target of disposing of all its noncore operations, The next stage in the dis-

posal programme will he the sale of Swedish Match, the other big unit within BCP. Analysts believe this division. a world leader in matches and

Sören Gyll: stake in Joint venture will be sold

lighters, will fetch between SKriohn and SKrizhn when it is sold, either to an industry huyer or a financial consor tium. One source close to negotiations said yesterday: "Discnssions are quite far advanced with a number of

parties." In Oslo, Orkla executives said the deal with Volvo would bolster its food and drink operations across the Nordic region, as well as in the Baltic states and in the St Petersburg region of Russia.

The acquisition of Procordia Food and Abba Seafood, together with its 45 per cent shareholding in the new beverage company, will boost group sales to more than NKr26bn from NKr20.8bn in 1994 and give the company 21,000

"Orkla's food and beverage operations will now definitely be developed as Nordic units. Orkla's food operations in Swe-

den will be as large as in Norway and also become substan-tially larger in Denmark," said Mr Jens P. Heyerdahl, Orkia's

The group said the Volvo deals would produce purches-ing production and marketing synergies -- although it declined to quantify them - as well as providing a platform for further expansion, inside and outside the Nordic region. Orkia plans to maintain the 45 per cent shareholding in the new beverage company. When Volvo sells its holding through a stock exchange listing the Norwegian company will become the largest individual owner. However, there was some surprise that Orkla had not opted to take a majority stake in the drinks concern at

the outset.
Orkla said the acquisition of the Swedish companies was partially loan-financed, but that it had raised an estimated NKrIbn (\$163.1m) through recent asset disposals. If said its strong financial position would not be changed much.

Nora, Orkla's food business will be combined with Pro-cordia Foods and Abba Seafood to form a food products group with annual sales of slightly more than NKr10bn and 7,200 employees. Ringnes-Pripps will have annual sales of an estimated NKr7bn and 7.000 employees. On a pro-forma basis, the new company had sales in 1994 of NKr7bn and operating profit of NKr556m.

Christopher **Brown-Humes and** Karen Fossli

Strong advance at Enel on increased sales to industry

By Andrew Hill in Milan

Enel, the Italian state electricity company, trebled net profit to L1,033bn (\$608m) in 1994, which could be its last year as a wbolly state-owned

utility. The group, one of the world's largest integrated electricity companies, was helped by a reduction in debt and financial cbarges and increased electricity sales, particularly to industrial clients.

In the calendar year 1993, Enel reported a net profit of

The Italian government wants to sell off at least part of Enel this year, and is trying to push plans for a regulatory authority through the lower house of parliament following approval in the Senate.

However, deputies have raised objections to the draft legislation, which also provides for regulation of the telecoms and television sectors. increasing worries that the privatisation timetable may be delayed still further.

Two parliamentary committees will today reopen

which may have to be split into different proposals, one

for each sector. Enel said it was "ready to face up to the challenges and opportunities" presented by rising competition and internationalisation of the

Last year, Enel increased its gross operating margin by 29 per cent to L13,684bn, and operating profit rose by 35 per cent, as the company reaped the benefit of reduced costs, an improving economy and a restructuring of tariffs.

That belped fuel a 3.5 per cent increase in electricity sales, after nearly static sales in 1993.

At the same time, Enel managed to reduce its heavy debt burden to L34,594bn, from L38,483hn at the end of 1993, cutting financial charges by some L1,500bn.

Although deht is high by the standards of north European electricity utilities, analysts pointed out yesterday that Enel's debt was in line with its counterparts in soutbern

first time internal financing of L8,788bn had surpassed investment in plant, which reached L7,876bn.

cial side are low and there is a

Explaining the 12 per cent

rise in group spending, to DM3.5bn, Mr Schmidt blamed

anniversary expenses - the

bank was 125 years old in 1994

- further integration of subsid-

iaries and investment in new

services, new branches in Ger-

many and abroad and com-

puter systems. Risk provisions

were unchanged at DM949m,

and net income eased by 3.4 per cent to DM565m.

shortage of homes.

lower at DM8bn.

Investment had already been cut by 14 per cent in 1993, to

The company said it had also cut costs by 3.6 per cent per kilowatt/bour sold. The number of employees in the group bas fallen to 101,800, against nearly 106,000 at the end of 1993. The privatisation will be one

of the most difficult yet attempted by the Italian government, partly because of Enel's size and partly because its shares are unquoted.

Under the latest privatisation plans, Enel would be sold off as an integrated group - with production, transmission and distribution operations intact - although competition in production

would be encouraged. The company is responsible for 80 per cent of electricity production in Italy and has a dominant position in transmission and distribu-

Pinault doubles earnings to FFr1.2bn

By Andrew Jack

Pinault Printemps Redonte, the French retail group, more than doubled profits last year, to FFr1.2bn (\$250.2m), in splite of the variable pace of economic recovery in the country. Turnover rose 12 per cent to FFr70.8bn, and the group said its diversity had allowed it to report operating orofits up 16.7 per cent to FFr2.69bn, from FFr2.31bn the previous year.

The results included for the first time the effects of its purchase last year of a controlling sharebolding in FNAC, the French books and records retail chain, after the sale of its two-tbirds stake by Crédit Lyonnais, the loss-making state-owned bank, as part of its

divestment programme.

It said its Prisunic and Printemps shopping complexes, and La Redoute, France's largest mail order retailer, had stagnated. However, there was

an increase in profits from- spite of a 50 per cent currency FNAC and Conforama, Its white goods distributor, in spite of "mediocre" consumer

spending.
Its professional divisions performed well, with improvements from Rexel, the electrical equipment distributor, Pinault Distribution and Pinault Equipement, its building materials business. It said CFAO, the interna-

tional trading arm, reported an increase in operating profits; in ductivity.

devaluation in the African franc zone.

The group's slight reduction in borrowings, to FFr12.08bn from FFr12.09bn, and a fall in interest rates meant it was able to halve financial charges during the year to FFr588m.

Pinault Printemps Redoute announced an exceptional charge of FFr266m, which it said was largely to prepare for costs designed to improve pro-

Yen 1.472.8

Yen 1.336.9

4

GULF INTERNATIONAL BANK B.S.C.

1994 Results

PROFITS OF \$74.8 MILLION

FINANCIAL HIGH	LIGHTS (Audit	ted)	
	1994	1993	1992
EARNINGS (\$ millions)			
Net Income after Tax	74.8	88.2	63.7
Net Interest Revenue	97.3	89.1	89.0
Other Income	24.4	65.7	29.0
Operating Expenses	39.4	41.2	38.3
FINANCIAL POSITION (\$ millions)			
Total Assets	7,574.2	7,171.8	8,340.2
Loans	3,416.8	3,060.1	3,170.8
Securities	1,675.8	2,036.4	1,665.2
Shareholders' Equity	558.2	528.4	485.2
RATIOS (%)			
Return on Shareholders' Equity	13.4	16.7	13.1
Return on Assets	1.0	1.2	1.0
BIS Risk Asset Ratio	11.7	11.8	12.8
Shareholders' Equity as % of Total Assets	7.4	7.4	7.7
Liquid Assets Ratio	53.3	55.7	48.8

Principal features:-

- Net income of \$74.8 million represented a 13.4% Return on Shareholders' Equity.
- Net Interest Revenue rose by 9.2%. This was attributable to an advance in strategically developed net interest earnings.
- A decrease in non-interest earnings resulted from reduced securities trading profits.
- Total Assets rose by 5.8%.
- Loans and Advances advanced by 11.7% with continued emphasis on short
- A decrease in the Securities portfolio reflected e cautious stance with regard to the fixed income bond markets.
- The year end BIS risk asset ratio at 11.7% was strong by internetional comparison.

GIB is owned by Gulf Investment Corporation, the international investment banking corporation owned equelly by the six Gulf countries that form the Gulf Cooperation Council. The eudited financial statements are available upon request from the Public Relations Division et GIB's Head Office.



GULF INTERNATIONAL BANK B.S.C.

HEAD OFFICE: P.O. BOX 1017, MANAMA, BAHRAIN, TEL: (973) 534000. FAX: (973) 522633.

LONDON NEW YORK
Tel: (171) 815 1000 Tel: (212) 922 2300 Fax: (171) 220 7733 Fax: (212) 922 2309

Tel: (65) 224 8771

ABU DHABI Tel: (9712) 318 080

Tel: (0961) 1-371 346 Facc (65) 224 8743 Facc (9712) 311 966 Facc (0981) 1-371 367 Fac: (968) 788 003

MUSCAT Tel: (968) 706 595

PUTNAM INTERNATIONAL FUND

R.C. Luxembourg Nº B11197

Notice of Meeting Notice is hereby given that the Annual General Meeting of Shareholders will be held at the registered office of the Company

on April 18, 1995 at 3.00 p.m. with the following agenda:

- Presentation of the reports of the Board of Directors and of
- the Auditor Approval of the balance sheet and profit and loss accrual as
- December 31, 1994. Discharge of the Directors for the fiscal period ended Decem-
- ber 31, 1994. Election of Mr Steven Spiegel as a Director in replacement of Mr Thomas J. Lucey. resigning.
 Re-election of Messrs John R. Verani, Takehiko Watanabe.
 Thomas M. Turpin, John C. Talanian, Alfred F. Brausch and
- Jean-Paul Thomas as Directors for the ensuing year. Any other business which may be properly brought before

The shareholders are advised that no quorum is required for the items of the agenda and that the decisions will be taken at the simple majority of the shares present or represented at the Meeting. Each share is entitled to one vote. A shareholder may act at any

By order of the Board of Directors

By order of the Managing Director

THE VENEZUELA HIGH INCOME FUND N.V.

DIVIDEND NOTICE tion granted by the Board of Sup March 16, 1995, notice is hereby given that the Fund will pay a distribution of USSO.25 per share on April 17, 1995 to common shareholders of record at the close of business on Murch 31, 1995, in the case of shares held in registered form, or apon presentation of coupon number 15 attached to the common share certificate to the Fund's Paying Agent (on or after April 17, 1995), in the case of common shares

aging Director and Location of Principal Office Principal Office Curação Corporation Company N.V., De Ruyterkada 62, PO Box \$12, Willemstad, Curação, Netherlands, Antille lor, Registrar, Transfer and Paying Agent Cititrust (Bahamas) Limited rd, PO Boz N1576, Oakes Field, Nassau, Bahamas

Investment Manager Scudder, Stevens & Clark, Inc.



ShinWon Corporation (the "lauter")

U.S. \$18,000,000 0.5 per cent. Convertible Bonds Due 2008 (Collectively "the Ponds")

convertible into shares of preferred stock of the Issuer NOTICE IS HEREBY GIVEN to the bondholders that, upon approval by a meeting of the Board of Directors held on 23rd March, 1995 of the issue of domestic convertible bonds Korean Wort 20 billion on 29th March, 1995 he Conversion Price per Preferred Share will be adjusted from Korean Von 23,705 to Won 23,052 with effect from 29th March, 1995 pursuant to rovisions of the respective Trust Deed constituting the Bonds.

Bankers Trust Company, London 4th April, 1995

Principal Paying &

NOTICE TO THE WARRANTHOLDERS OF NIPPON COMSYS CORPORATION

(the "Company") Bearer Warrants to subscribe for - shares of common stock of the Company issued in conjunction with

U.S. \$100,000,000 11/2 per cent. Notes due 1998 with Warrants

(the "Warrants")

Adjustment of Subscription Price Pursuant to Clause 4 of the Instrument dated 3rd March, 1994 relating to the Warrants (the "Instruments"). Notice is hereby given as follows: (1) As a result of the issuance of U.S. \$100,000,000 37; per cent. Notes

due 1999 with Warrants on 30th March, 1995 by the Company, the ription price of the Warrants has been adjusted as follows: Yen 1.476.0 Subscription Price before adjustment: Yen L-172.8 Subscription Price after adjustments

Effective date of adjustment: 31st March, 1995 (Japan Time) 2) The Company resolved at the meeting of the Board of Directors held on 14th March, 1995 to make a stock split in the form of the free distribution of shares on 19th May. 1995 to the shareholders of share for each one share held by them. Accordingly, the subscription price of the Warrants has further been adjusted as

Subscription Price before adjustment: Subscription Price after adjustment: 1st April, 1995 (Japan Time) Effective date of adjustment:

NIPPON COMSYS CORPORATION as Principal Paying Agent 4th April, 1995

follows:

JF JAPAN OTC FUND INC. mai Depositary Receipts

NOTICE OF ANNUAL GENERAL MEETING Notice is hereby given that an Annual Coneral Meeting of the Company will take place on Friday, 5th May, 1996 at 12.30pm at Room 1, 47th Floor, Jardine House, 1. Connaught Place, Control Blass Meeting. Connaught Place, Central, Hong Kong.

The Meeting will be held for the purpose of considering, and if thought fit, passing resolutions approving the accounts for the year ended Sist December 1994, responding the Auditors, re-electing and remunerating the Directors of the Company, opproving the general mandate allowing the Company is allowed the second insections of the company opproving the general mandate allowing the Company is allowed the second insections of the company of the

Morgan Guaranty Trust Company of New York videncing 100 participating shares of USD 1 each

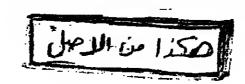
VOTING ARRANGEMENTS FOR IDR-HOLDERS: IIIR holders who wish to vote must observe the following procedures: IDR-holders must deliver the IDRs to the depositary at the latest on April 28, 1965 at the address given below (atm. Securities Dept. - telephone 222760.86 dt. sales 18752 MOREK 31, instruct the Depositary as to the manner in which votes about the cast, and indicate to whom the IDRs should be returned after the meeting.

IDE-bolders who wish to vote are also requested to transfer to Morgan Guaranty Trust Company of New York, New York, Rev account 670.01.422 of Morgan Guaranty Trust Company of New York, Brussels, a fee of USD 1 per IDE to respect of which a

Copies of the Annon! Report are available from the Depositary at the address Depositary: Margum Generalty Trust Company of New York, 35 Avenue des Arts. B 1040 Bruxelles

Nafin Finance Trust II U.S. \$129,880,000 Floating Rate Notes due 1999 For the Interest Period 31st March, 1995 to 30th June, 1995 the Mores will carry a Rate of Interest of 8.73125% per annum. The Coupon Amount per original U.S. \$10,000 Note will be U.S. \$101.02 payable on 30th June, 1995. Orb Inne, 1995. Bankers Trust Company. London Agent Bas

REPUBLIC OF FINLAND ___ £50,000,000 TI'/% Loan Stock Due 2009 Northernton of a change of Pennipel Period and Exchange Agent with " officer from 4th April, 1995. Baring Brothers Limited



You're Looking For Unparaggeled
Global Resources And Unlimited Human
Resourcefulness.

YOU DON'T WANT
ONE-SIZE-FITS-ALL
ANSWERS, YOU WANT
ONE-OF-A-KIND
SOLUTIONS.

MONSANTO HAS BEEN
GROWING WITH
A BANK LIKE THAT.
FOR 75 YEARS.

After 75 years, the partnership between Citibank and Monsanto is growing faster than ever before. Year after year, as Monsanto expands around the world, it relies on Citibank to anticipate its global needs with customized financial solutions.

CITIBANCO

ak, N.A. Citibank is a member of SFA and I

INTERNATIONAL COMPANIES AND FINANCE

Kemper Corporation to spin off stockbroking arm

Kemper Corporation, the US financial services group which has spent the last year under threat of takeover, has agreed to soin off Kemper Securities. Its stockbroking division.

Kemper Securities is the 10tb largest broker in the US, with nearly 1,300 investment consul-

However, Kemper Corpora-tioo refused to comment oo speculation that it had rejected bids for its insurance division. It said it continued to seek ways to maximise sharehold

The stock market was unimpressed by yesterday's deal, and the shares fell \$1/2 to \$39%

in midday trading.

Last year's highest takeover bid was worth \$67 a share. The deal involves Kemper Securities' employees - includ-ing the economist Mr David Hale - buying a 55 per cent stake in the business through (Esop) for \$72m. Another 44 per cent of

Kemper Securities shares will be distributed to Kemper Corporation shareholders as a "property dividend".

The remaining 1 per cent will be issued to Kemper Securities management in the form

of non-voting ahares.

The deal is expected to be completed within 90 days.
Kemper Securities will change its name, dropping the word Kemper, and obtain a listing for its shares. Kemper Corporation said the

deal would cause an after-tax loss of \$70m in 1995 and cut its shareholders' equity by \$127m. To make Kemper Securities more attractive, a \$82m loan it

owes to Kemper Corporation would in effect be cancelled and it would sell some illiquid securities to its parent, although these were "not material", Kemper Corporation said. The parent will also take

although these are not expec-ted to have a material effect on Kemper Corporation.

The Eaop will borrow the cash to buy its 55 per cent stake from a syndicate of

The four-year loan will be

secured on the stock and guaranteed by Kemper Securities. Mr David Mathis, chairman and chief executive of Kemper Corporation, said of the deal: "We believe it represents the most efficient and economically attractive way to realise valus now from the brokerage

The sale follows a turbulent year for the group. It received an offer last spring from GE Capital, the financial services arm of General Electric, but rejected that bid, later accepting a \$1.8hn approach from Conseco, the insurance group. However, Conseco was eventually unable to finance the bid, which lapsed in November.

Placer Dome in takeover bid for International Musto

By Bernard Simon in Toronto

Placer Dome, the international mining group, has found its long sought-after acquisition target in Vancouver based international Musto Explorations, whose main asset is a stake in the rich Bajo de la Alumbrera copper and gold deposit in Argeotina.

Placer has offered to buy all Musto's outstanding shares at C\$12.50 each, or a total of

It said yesterday that one of Musto's biggest sharebolders, with a 36 per cent stake, had agreed to tender his shares, on condition that a rival bidder does not top Placer's offer by more than 50 cents a share. Musto's stock closed

at C\$10.88 on the Toronto

stock exchange last Friday. Musto owns 50 per cent of Bejo de la Alumbrera. The other shareholder is Australia's MIM Holdings, which has agreed to contribute US\$120m towards the US\$780m cost of developing the property.

MIM and Placer are partners in the Porgera gold mine in Papua New Guinea.

The Placer offer is subject to a minimum of 90 per cent of Musto's shares being tendered. The offer is expected to expire about April 28. A recent feasibility study

Indicated that the Bajo de la Alumbrera deposit, which is located on the eastern slopes of the Andes, contains 11.9m oz of gold and 6.4bn lbs of copper. Subsequent drilling points to

Placer currently estimates

annual output at 500,000 oz ounces of gold and 373m lbs of copper over 16 years, with coets well below the world average. It said, however, that "a new mine plan currently being finalised by MIM and International Musto indicates production figures may

 Placer Dome Canada, a division of Placer Dome, plans a takeover bid for the minorityheld shares of Equity Silver Mines, which operates a silver, copper and gold mine in British Columbia, Renter reports from Vancouver.

Placer Dome Canada, which owns 58.8 per cent of Equity Silver, said the offer of C\$0.70 a share represented a premium of 46 per cent over the closing price of Equity Silver shares

HSI shareholders will receive 45 per cent of the new company's stock, comprising 26m voting shares and 24m non-voting "B" shares. All of the "B" shares will be issued to the California Wellness Fonndation, the charitable organisation which is its larg-

est shareholder. WellPoint's 80 per cent sharebolder, Blue Cross of California, will receive 44 per cent of the shares. It will also receive \$985m in the special cash distribution to be made

hy WellPoint The Blue Cross organisation and the Wellness Foundation said they would sign an agreement to co-ordinate their plans to reduce their stakes In the new company over time. WellPoint's minority share-

holders will receive the remaining I1 per cent of the new company's stock, together with the special cash dividend.

California healthcare deal creates **US** leader

By Richard Waters in New York

Two California-hased groups, VellPoint and Health Sys International, yesterday announced terms for a merger that will create the largest publicly-owned US managed

healthcare organisation.

The new group would have annual revenues of \$6bm, compared with \$3.7bm last year at United Healthcare, the next biggest. The merger is the latest and largest so far among such groups, which have flourished in recent years as Americans have sought ways to reduce healthcare costs.

With about \$1.5bn of cash on its balance sheet and a low gearing ratio, the new group would also be well positioned to pursue other acquisitions acroes the country. Such growth is "the number one strategic priority", HSI said

The new group would operate a network of health maintenance organisations which covers 2.2m people, slightly smaller than the 2.4m people covered by United Health-care's HMOs.

These organisations provide low-coat health services to their members by restricting the range of hospitals, doctors and drugs to which they have

In addition, the two companies said they would have 2.9m people in looser, preferred provider organisations (known as PPOs) and similar plans. The deal is subject to ahareholder anpport, and approval from anti-trost anthorities.

Under the terms of the deal announced yesterday, Well-Point will pay ont \$12.31 a share in a special dividend ahead of the merger, amounting to \$1.2bn out of its total cash board of \$2bn, Shareholders of both companies will then be given stock in a new

centrates on pharmaceuticals, it plans to shift to propriety products from licenced in prod-

Schering emerges in strong shape

Radical shake-up has improved earnings prospects, writes Judy Dempsey

Schering

International pharmaceuticals intend to stay long.

"I wanted to join my brother in the US. And I really wanted to learn English," he says. "After studying radiology at Rome and further research at the university of Mainz, I managed to get a job at Schering." And there Mr Vita has remained, rising through the ranks to become chairman in

Thronghout those three decades, and especially over the past six years, Mr Vita has helped restructure the group, turning Schering into a core pharmaceutical company. It has shed its once ungainly

division takes in x-ray equipstructure of a mixed bag of ment, magnetic resonance industrial chemicals, natural substances, and electroplating divisions. These were sold off in the early 1990s. Even the agroche sion has been hived off into a

40:60 joInt venture with Hoechst, the German chemicals conglomerate. "We are pretty ple the restructuring. It is 80 per

cent complete," says Mr Vita, a

softly-spoken Italian. The shake-np entailed a severe cost-cutting programme, begun nearly three years ago when other German companies were slow to rationalise. The workforce was cut by 24 per cent to 18,200 and more redundancies are on the way, partic-

ularly at Schering's administrative headquarters in Berlin. Mr Vita belleves the company can aave a furthar DM200m (\$146m) over the next Schering has modernised

and restructured its production plant at Bergkamen, in the heart of the old coal-mining region In western Germany. In addition, says Mr Vita, Schering has used outside institutes and facilities to carry out research and devel-Analysts believe Schering's

R&D expenditure over the next four years could total between DM800m and DM850m, with external research, including alliances with universities and companies, rising 30 per cent. Finally, as the company con-

introduction later this year of . should be approved by Euro-Levovist, an ultrasound prod-

imaging and ultrasound.

Mr Mark Tracey, a pharmaceuticals analyst at Goldman Sachs, expects Schering's licenced-in products for conshare of the world market. _ trast media will fall to about 30 per cent from 60 per cent over

"Schering is on course to lower costs. The plant at Bergcent of sales. kamen should cut production costs for contrast media [imaging/x-ray] by about a half." he

As it restructured, Schering had to make an important decision: whether to become a global force, marketing hundreds of products, or securing niche, backed up by innovation and experience.

"Schering chose the latter course. It is now well posi-tioned strategically," says Mr Francesco Gregori, an analyst at Paribas Capital Markets.

ucts (products developed by

outsiders) for its contrast

media/imaging division. The

r Vita also sees the merit of that decimerit or that we sion. "No one firm can be the major player in all segments of the market. We have a very strong niche in the products in which we have chosen to specialise," he said. That niche comprises three categories. First, contrast media, which accounts for 40 per cent of Schering's sales

which last year rose I2 per cent to DM4.7bn. Group net profits also increased 12 per cent to DM254m last year. Schering is a global force in

contrast media, with a 32 per cent share of a market worth DM5bn. Mr Vita believes tha

The second category com-prises hormones and fertility

control, accounting for 30 per cent of sales and in which Schering has a 21 per cent The third is therapeutics, which include cardiovascular

drugs and treatment for leukaemia, accounting for 24 per Europe and Germany con-

tribute 43 per cent of sales, with Japan and Asia rising by 2 per cent last year to 26 per Mr Vita believes Asia, especially China, and Latin Amer-

ica will continue to expand. But at the moment, all eyes are fixed on the US market, where sales were up 64 per cent last year to 17 per cent of the group's turnover, Mr Vita remains calm. In spite of market turbulence. We can weather the storm,

even though the D-Mark is so strong against the US dollar," he said last month when presenting the group's 1994 results. Mr Vita expects Schering will have to revise downwards this year's forecast rise in total turnover to about 6 per cent from 9 per cent. However, analysts believe it may be dampening expectations, partly to complete the socially sensitive

restructuring programme. The extraordinary rise in sales on the US market is largely due to one drug which: makes up the fourth, and new category for Schering: Betaseron, the multipla sclerosis treatment which is available only in the US but which pean health authorities later.

Betaseron, which came on the market In late 1993, had sales last year of DM323m and Mr Vita is confident they will reach at least DM500m this

Betaseron is very important for us. But remember, Betaseron only accounts for 10 per cent of our total turnover. We cannot depend on that drug

Towever, the markets have nonetheless tended to watch every twist and turn of Betaseron's programme, perhaps eclipsing the fact that Schering's 12 per cent rise in profits last year may mask its true profitability. Thera were several excep-

tional items. For example, sub-sidies to companies based in Berlin were scrapped In line with government policy In In addition, Schering last

year made a pre-tax payment of DM64m to convert its books to international accounting standards In an effort to make the company more transparent to its shareholders. Mr Tracey of Goldman Sachs

points out that "now the oneoff in and out payments have been made, we have a very clear picture of Schering's profitability which indicates that growth could remain very strong," said Mr Vita himself expects that

from this year until 2000, prof-its after tax will rise by 10 per cent, which would confirm that the restructuring, and his decision to stay in Europe, had paid off.

CAI warns of more cost cuts

By Robert Gibbena In Montreal

Canadian Airlines International has warned its unions they must accept a further C\$125m (US\$88m) of costcutting by June 30 if the com pany is to compete under tha open skies" regime.

Nearly 12,000 employees are already cootributing to the survival of Canada's secondbiggest carrier through payroll deductions. in return they get rights to buy stock in PWA.

CAI is due to re-negotiate its collective agreements this spring. It has already set up a joint management-labour com-

mittee to recommend ways of improving its financial post-

The committee recently pany reduced in size. reported that annual operating cash flow must be Increased hy C\$325m a year to handle route expansion, fleet additions and achieve a return to adequate profitability. This is equal to a 14 per ceot reduction in costs

per seat mile. CAI is asking employees for significant gains in productiv-ity and long-term changes to its union contracts. It is also shaking up management and has called in the Boston Consulting Group to advise on labour management planning. The company said agreement

must be forthcoming by June 30 or the network will have to be restructured and the com-

Analysts said CAI has many

loss-making domestic routes. It needs increased cash flow to meet debt repayments due in tha next two years. The two biggest CAI unions have retained the US Airline Pilots Association to review

the company's finances by the end of this month. Mr Tony Johnston, CAI vice-president of employee development, said the options facing CAI were disclosed to all employees this weekend "to ensure everyone knows exactly what is at stake".

Ingersoll-Rand in Clark tender

Ingersoll-Rand yesterday followed through on a promise made last week to launch a hostile hid for Clark Equipment, a rival US machinery maker, with an all-cash offer

worth \$1.3bn. The tender offer came as Clark failed to respond to Ingersoll-Rand's request for discussions over an agreed

merger. Ingersoll-Rand also said it was proposing a list of seven nominees to stand as directors efforts" to arrange a meeting of Clark at the company's to discuss his company's proannual general meeting on

May 9. If they won enough support from Clark's shareholders, the new directors would tilt the balance of power on the company's board in favour of

This so-called proxy battle is the latest sign of the re-emergence of a tactic often used during the 1980s by acquisitive companies to force their targets into submission.

Mr James Perrella, chairman and chief executive of Ingersoll-Rand, said the action had been taken after "repeated efforts" to arrange a meeting posals had been rebuffed.

In a letter to his counterpart at Clark, Mr Leo McKernan, Mr Perrella said the company would have preferred an agreed merger, and continued to be interested in a friendly

The tender offer will expire on April 28, unless extended, Ingersoll-Rand said. Clark's shares continued to

hover above the offer price as the stock market anticipated a higher bid in the coming

The shares rose \$14 yesterday morning, to \$82%. Ingersoll-Rand's shares climbed \$% to

Bramalea, a casualty of the

Under the plan, about 100

1991 property market collapse, is burdened with C\$3.5bn debt.

properties will be released

from court protection for sale.

Bramalea will retain only 12.

An Ontario pension fund is likely to buy Bramalea'a 50 per

Toronto financier who controls

Barrick Gold and Horsham.

disclosure tightened by IASC

sure of derivatives.

secretary general, said: "Both investors and lenders need to have a much better idea of whether risky derivatives are being used. The disclosures we are now asking for will make it much easier to assess the risks companies run when they use

derivatives." duced rapid agreement on

action

The committee said the new standard had put more empha-sis on the importance of explaining the nature and extent of the use of financial inetruments and the risks undertakan than had been

envisaged in the draft.
The new provisions cover financial instruments ranging from debt to derivatives, including interest rats risk, credit and fair value. They include a requirement to dis-close information about finan-cial aesets carried at an

amount exceeding fair value.

Mr Bruce Picking, technical director of the Institute of Chartered Accountants in England and Wales and technical adviser to the UK delega-tion to IASC, said international standards were becoming increasingly relevant to a number of countries.

For companies wishing to follow IASC standards, the new ods after January 1 1996.

Novo Nordisk A/S

Tuesday, 25 April, 1995, at 4.30 pm

The Company will hold its Annual General Meeting for the Shareholders on

at Laurentsvej 45, Bagsvaerd, Denmark.

The Board of Oirectors' report on the Company's activities in the past financial year.

Presentation of the Financial Statements, the

Auditors' Report and the Annual Report as well as the Consolidated Financial Statements Resolution concerning adoption of the Profit and Loss Account and the Balance Sheet, in-

duding discharge of Management and Board of Directors from their obligations Resolution concerning application of profits

according to the adopted Financial Statements. Election of members to the Board of Directors.

> The Board of Oirectors propose re-election of: Palle Marcus, Managing Director, for the Professor Allan Philip for the period of

Professor Jaromir Ruzicka for the period of

Hans Werdelin, Managing Director, for the period of 1995-98 Mads Øvlisen, Managing Director, for the period of 1995-98

Election of auditors. Proposal from the Board of Directors to authorise the Board of Directors until the next Annual General Meeting to let the Company acquire own shares of up to 10% of the shere capital and at the price quoted on the date of purchase with a deviation of up to 10%, cf Section 48 of the Danish Companies Act.

Miscellaneous.

Admission cards and ballot papers are available by postal application or for collection at the address Novo Allé, Building 6A, 2880 Bagsvaerd, on weekdays between 10 am and 2 pm from 4 April to 20 April, 1995, both days included. Requisitions in writing must be received by the Company no later than 20 April, 1995.

If shares are entered in the Company's Register of shareholders under the holder's name, admission cards and ballot papers will be issued to the shareholder when stating the nominal value of his/her shares.

in respect of shares not entered in the Company's Register of shareholders, admission cards are issued against production of documentation of ownership, satisfactory to the Company, eg a deposit statement not more than five days old from The Danish Securities Centre or the institution holding the shares on deposit, as documentation for the shareholding, together with a declaration from the shareholder stating that the shares neither have been sold after issuance of the statement nor that it is the intention of the shareholder to do so before the Annual General Meeting.

The Agenda, the exact wording of the proposals and the Financial Statements, the Auditors' Report, the Annual Report as well as the Consolidated Financial Statements will be available for inspection by the shareholders at the above-mentioned address on weekdays between 10 am end 2 pm from Tuesday, 4 April to Tuesday, 25 April, 1995, both days included. The Agenda and the Annual Report will be sent to all shareholders whose shares are registered under the holder's name in the Company's Register of shareholders. The documents are available

The dividend as approved at the Annual General Meeting will - after deduction of withholding tax - be sent to Novo Nordisk A/S' shareholders directly via The Danish

> Bagsvaerd, April 1995 The Board of Directors

Bramalea set to be broken up

chaos that would ensue from a sudden collapse", said Mr Jus-tice Lloyd Houlden. The com-

pany's assets total more than C\$5bn (US\$7bn), including a

large North American land

equity infusion from a group of international investors, led by

Bramalea'a programme, hut mortgage holders objected.

A plan to obtain a C\$300m

By Robert Gibbens in Montreal

Bramalea, the Canadian realdential and commercial property developer which has been in court protection from its creditors since 1992, faces being broken up over the next two months as a result of a court decision.

Up to 100 office buildings. shopping centres and development eites will be sold on behalf of Bramalea's creditors. The company is likely to retain only a few shopping ceotres whose current market value An orderly sale of Bramalea assets "is preferable to the

Sharp setback for Swiss travel group in year

1994 net profit of 8Fr18.1m (\$11.7m), blaming a one-time reserve for potential tax charges in the UK, Reuter reports from Zurich.

Kuoni said group profit fell from SFr44.7m in 1993, while parent profit rose to SFr35.5m last year from SFr11.5m.

investor interest, predicted a better year as a result of growing world tourism.
Mr Riccardo Gullotti, chief executive, said claims to tax charges on business done by

Kuoni's UK subsidiary in the

late 1970s slashed the profit

cent Interest in several big Canadian shopping centres. US financier Mr Steve Green, collapsed In March. Last Juna, the fund spent C\$300m in buying the other 50 per cent, plus two other shop-On Thursday, Bramalea won a court order requiring all its lenders to put up C\$3m cash so it could keep its doors open ping centres, from Trizec, another troubled Canadian property group which was rescued by Mr Peter Munk, the and proceed with the property sales. The banks aupported

Raisebūro Kuoni, Europe'e third-biggest travel group, yes-terday reported sharply lower

The group, which adopted a oew capital structure in an effort to boost liquidity and

Axa in FFr2.3bn issue of convertible bonds By Andrew Jack

Axa, one of France's biggest Axa, one or France's niggest insurers, yesterday announced a FFr2.3bn (\$480m) issue of convertible bonds which it said was designed to support its acquisitions and reinforce its capital base. The search for new capital

comes at a time when the group has been actively seek-ing to buy rival insurers In Europe, the Americae and Asia, as part of a broad strategy of making itself into a more international business. The new bond issue, for which priority subscriptions will open today, comes after the group published annual

results showing net income up

11 per cent at FFr2.27bn.

Axa said the bonds - which are priced at FFr270 each may be converted to equity at any time after April 19, the day after they begin to trade. Each bond is convertible into a sin-gle ahare, and carries an annual coupon of 4.5 per cent

of the issue price.
Existing shareholders will have first rights to subscribe to the new issue, and are able to apply ahead of others until April 10. They will be allowed to buy one bond for every 15 shares already held. Other subscribers can apply until tha bonds begin to trade.

In January, Axa bought a controlling stake in National Mutual of Auetralia for A\$1.1bn. It has also recently bought Wing On Life in Hong Kong and Singapore.

Rules on

By Jim Kelly,

The International Accounting Standards Committae has agreed a new code for the reporting of financial instruments - including the disclo-

PERMITA (IIV)

Matter long

paller on

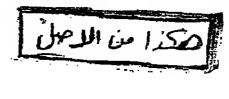
The IASC confirmed that the new standard, IAS 32, was both tougher on disclosure than a draft published last year and ahead of both UK and US accepted practice.

Ms Liesel Knorr, IASC acting

financial instruments, such as She admitted that while the collapse of Barings, the UK merchant bank, had not affected the wording of the standard, it had possibly pro-

The IASC voted unanimously at its meeting in Düsseldorf before the weekend to approve the new standard. A separate standard will follow on the measurement of financial

rules apply for accounting peri-



mall

titue

we lecti wid

ıd dı

n Me

star

NEWS DIGEST

TUESDAY APRIL

writes Judy Denny

Man had

Heidstron ...

Helasero:

H

A STATE OF THE STA

- The III - The III

TORY DOLLAR TO THE TORY

-

Action to the second Party British St. Co.

And the same of th

THE THE PARTY

Al Alicenter

Service and the

the ar

74-35 h. ----

7.70

1. Etc. 200 1111

SE William !!

300

4.5

THE RESERVE OF THE PARTY OF

Table To the Medical

Seagram keeps market guessing on Du Pont stake

Seagram, the North American drinks company, and the US chemicals group Du Pont both refused comment yesterday on a press report that Du Pont might be about to buy back the 25 per cent of its stock owned by Seagram, writes Tony Jackson in New York. According to The New York Times, the deal, which would cost Du Pont around \$10bn, would clear the way for Seagram to bid for

MCA, the Hollywood studio. Matsushita; MCA's Japanese parent, is known to be contemplating the sale of all or part of the company. Last year Mr Steven Spielberg, the film director, and Mr David Gef-ien, the record mogul, left MCA to form their own entertainment company with Mr Jeffrey Katzenberg, the former Disney studio chief. Seagram, which also owns 15 per cent of the US media and film group Time Warner, has been rumoured as one of a number of possible buyers.

Seagram bought the Du Pont stake in 1981

Mannesmann turnover shows strong rise

Mannesmann, the German engineering and telecommunications group, yesterday said turnover in the first two months of this year rose 14 per cent over the same period a year earlier, writes Michael Lindemann in Bonn. The company declined to give precise figures

but said that new orders rose 24 per cent over the same period.

During a press conference at the Hanover trade fair, the company also said it now had 930,000 clients for its D2 mobile phone network, up from 850,000 at the end of last year. Deutsche Telekom, its main competitor, had 927,000 clients by then.

Mr Joachim Funk, chief executive, said that the recent currency fluctuations had led to "irritations" and warned that there were likely to be further job losses if the D-Mark remained at its present high level.

However, he said he was optimistic about the prospects in 1995 for the engineering industry, saying that business was likely to remain brisk as investment rose across Europe for the first time since 1990.

Mobil returns to Venezuela

Mohil, the US energy group, has returned to Venezuela as an investor after an absence of 20 years, purchasing a 50 per cent stake in Venezuela's largest privately held lubricants company, Nacional de Grasas Lubricantes, writes Joseph Mann in Caracas. No price was

amnounced.

Mobil owned extensive oil production and refining operations in Venezuela until 1976 when the Venezuelan government nationalised the oil industry. Today Mobil is still an important international buyer of crude oil sold by Venezuela's national oil company, PDVSA, which last year developed a programme to open its exploration and production sectors to private capital.

cants company where Mobil is nov a partner is part of the Venoco group of companies, which is controlled by the family of Mr Julio Sosa, until recently Venezuela's finance minister. Mr Sosa founded Venoco, which works in the lubricants and petrochemical sec-

tors, in 1960.

Mobil is one of dozens of international oil companies planning to bid on exploration risk contracts for crude oil and natural gas scheduled to be let later this year by PDVSA.

Topdanmark dividend passed after loss

Topdanmark Share price (DKr) 1,000 -5000 hM 1994 - 95

ish insurance group, reported a DKr427m (\$78.7m) loss for 1994, its worst result ever, compared with a profit of DKr107m in 1993, writes Hilary Barnes in Copenhagen. No dividend will be paid after what the board described as one of the most turbulent years in the company's his-tory, when its ability to survive as an inde-

pendent company was brought into doubt.

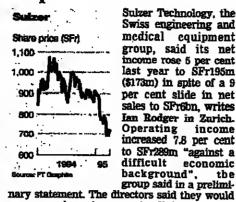
However, the group is completing a financial restructuring plan, launched at the end of last year, with a rights issue this month. This is expected to raise DKr372m.

Last year'a losses arose partly as a result of a fall in the value of the securities portfolio, but the key item was a loss of DKr379m by the finance division, which has been at the heart of Topdanmark's problems for the past three years. The group sold off its main domestic banking operation, Aktivbank, last year, but carried losses for the first four months of the year. Topdanmark's two foreign banks, Aktivbank, of Stuttgart, and National Bank of Long Beach, California, continued to make substantial losses.

The group said yesterday that it had completed the sale of the California bank another. bank in the state, Metrobank. Aktivbank is also being disposed of.

The insurance operations made progress last year, improving operating profits to DKr206m

Sulzer lifts income despite sales slide



Sulzer Technology, the Swiss engineering and medical equipment group, said its net income rose 5 per cent last year to SFr195m (\$173m) in spite of a 9 per cent slide in net sales to SFr6bn, writes Ian Rodger in Zurich. Operating income increased 7.8 per cent to SFr289m "against a difficult economic background", the

SFr18 to SFr20 a share. Sulzer said the figures were distorted by the sharp rise of the Swiss franc against other leading currencies last year. In local currencies and excluding the impact of acquisitions.

recommend an increase in dividends from

sales were down only 4 per cent. Sulzer has been moving more of its manufacturing activity out of Switzerland in recent years, and now claims nearly half of its value is created outside of its home country.

BHP plans A\$645m capital spending

Broken Hill Proprietary, tha Australian resources group, yesterday announced the approval of three projects for its steel division, involving total capital expenditure of A\$645m (US\$473m), writes Nikki Tait in Sydney.

The first is a A\$280m cold-rolling, metallic coating and paint facility, which will be built on the west coast of the US, and will supply building and construction markets in the Pacific north-west.

BHP Steel also plans a A\$265m cold-rolling, metallic coating and painting facility in Thailand, which -like the US plant - will go into construction in the second half of 1995, and be progressively commissioned over the following two years. A further A\$100m is to be spent upgrading the steel rolling mill at Western Port in Victoria.

Norwegian drillers plan to merge

Transocean and Wilrig, two Norwegian off-shore oil and gas drilling contractors, said yesterday they would recommend a merger to create one of the world's largest drilling companies, writes Karen Fossii in Oslo.

Under the deal, Transocean will take over Wilrig, whose shareholders will trade four of their own shares for three Transocean shares. Full details of the proposed deal will be unveiled before June 1, but the merger, if approved, will be retroactive from January 1.

The new company, to be called Transocean will have annual turnover estimated at NKr3bn and be ranked among the world's top contractors Readings & Bates and Sonat Offshore Drilling. Mr Kristian Siem, chairman of Wilrig, has been proposed as chairman of the new company while Mr Ole Lund, chairman of Transo-

Metallgesellschaft row in US flares up again

cean, would become deputy chairman.

The wrangle in the US between Metallgesell-schaft, the German metals and energy trading group, and Castle Energy, a former US affiliate, flared up again yesterday as the German group said it was taking legal action to recover \$105m, writes Richard Waters in New York. Topdanmark, the Dan-MG said the money was owed it by Castle under loans which matured at the end of last

week, but that the money had not been repaid. The dispute marks a re-emergence of a long battle between the two sides which appeared to have been settled last October. At that time, MG gave up various claims over Castle in return for Castle agreeing to yield its rights under long-term contracts to supply MG with

oil products. The settlement, not directly connected to the hig losses on oil trading in the US which brought MG to the verge of collapse, involved the German group giving up claims worth

At that time, MG agreed to continue financing Castle's two refinery operations, Powerine Oil and the Indian Refining limited partner-ship, until the end of March. MG said it had taken action in state court in New York against Indian Refining, and in Delaware against Castle, which guaranteed the loans.

ITT in \$1bn loans sale

ITT has reached agreement to sell a \$1bn portfolio of bome equity loans, marking another step in the US conglomerate's retreat from financial services, writes Richard Waters. Transamerica, the San Francisco insurance group which agreed to buy the loans, will pay a \$30m premium. The deal will release \$200m of equity which had been tied up in the home equity business, ITT said.

INTERNATIONAL COMPANIES AND FINANCE

of depositors.

bank.

in London

The Bank of Tanzania cited

Peregrine **Investments** dips 24% and cuts payout

By Simon Holberton in Hong Kong

Peregrine Investments Holdings, the Hong Kong mer-chant bank, came down to earth yesterday when it cut its dividend and announced a 23.9 per cent fall in net profit to HK\$650.7m (US\$84m) from HK\$855.6m for the year to the end of December.

Directors declared a final dividend of 25 cents a share which, with the 25 cents paid at the interim stage, makes 50 cents for the year - a cut of

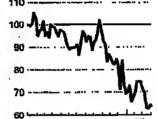
per cent lower at 60 cents a

year was likely to be even more "challenging" than 1994. The second half of last year, and the final quarter in particnlar, had witnessed an increasingly difficult operating environment" for the group, with rising interest rates leading to depressed stock markets and poor fundraising conditions.

ficult to be optimistic about 1995." But, it added, US interest rates appear close to their peak and Asian economies remain strong.

hank said.

the Hang Seng Index



Source: FT Graphite

Peregrine said that lower stock market and corporate finance activity was the main reason behind the 1994 results. In particular, the stock market decline led to a sharp fall in trading profits, to HK\$27m from HK\$182m in 1993.

Set against the poor performance in corporate finance and stock markets were derivatives, where profits were up 95 per cent, and direct investment, which showed a gain of 45 per cent during the year.

During last year Peregrine was involved in HK\$33.1bn of capital raisings for Hong Kong and China, of which it played a senior role in HK\$24.8bn.

ICI New Zealand in acquisition

Burns Philp, tha Australian company which has been shed-ding non-core assets to concentrate on its food ingredients business, has sold its New Zea-land-based Chemical Cleaning unit to ICI New Zealand, part of the UK-based chemicals

group, writes Nikki Tait. No price was disclosed, but Burns said the unit's sales were about NZ\$50m (US\$32.7m) a year. Chemical Cleaning imports, blends and distributes chemicals used in the dairy and paper sectors.

Mortgage Funding Corporation No 1 Pic £175,000,000 Class A-1 \$25,000,000 Class A-2 Mortgage backed floating rate notes March 2020 For the interest period 31 March 1995 to 30 June 1995 the Class A-1 notes will bear interest at 7.175% per annum. Interest payable on 30 June 1995 will amount to \$1,788.84 per £100,000 note. The Class A-2 notes will bear interest at 7.375% per annum Interest payable on 30 June 1995 will

ant to \$1,838.70 per £100,000 note. Agent: Morgan Guaranty Trust Company

JPMorgan

Tanzania takes over Meridien management

The crisis at Meridien BIAO. an independently-owned bank with branches in 20 African countries, deepened yesterday as Tanzania's central hank announced it was taking over management of the bank's local operations.

large foreign exchange exposure positions - estimated at

16.6 per cent.

Earnings per share were 50

The company said that this

The company said: "It is dif-

"Overall, 1995 is expected to be a difficult year but one that will hopefully set the scene for improvement in 1996," the

Peregrine Investments

Share price relative to



1904 95

Meeting has been validly convened and held. Shareholders present.

April 27).

around \$30m - for its move and said it had taken the without jeopardising interests of depositors and the public." He said problems at the bank action to protect the interests in Tanzania had also been The Tanzanian authorities brought about by "a poor lendsaid they had replaced Meriing policy which lacked proper dieo's board and management

scrutiny, and rapid expansion. with a team from the central The new team has been asked to recover debts owed to Mr Abdul Rashid, governor the bank and seek repatriation of the central bank said: of hard currency held overseas "There is no way the Tanzaby Meridien BIAO. nian operation can be allowed

Tanzania's move is another hlow to the ambitious group,

week, the Zambian central bank took over Meridien BIAO Bank Zambia, split it from the rest of the Meridien BIAO group and appointed a new management team. The authorities had already poured in K47.8bn (\$59.4m) since the start

ity before taking it over. Kenya shnt down the bank last month and authorities in Swaziland have also taken over

of the year to help with liquid-

local operations pending a sale. First National Bank in South Africa last week confirmed it had been approached by Swaziland's central bank about acquiring Meridien BIAO's operations in that country.

An announcement on the outcome of those talks is expected within the next few

Other African governments

were said to be watching the situation closely.

Terms outlined for Tokyo-Mitsubishi merger

By Emiko Terazono in Tokyo

to operate in its present form

The Bank of Tokyo and Mitsubishi Bank, the two Japanese banks which last week announced their plan to merge, yesterday outlined the basic

terms of the alliance. The merger will create the world's biggest bank, to be called the Bank of Tokyo-

Mitsubishi. Mr Tasuku Takagaki, currently president of the Bank of Tokyo, said the two companies had agreed a merger deadline of April 1 1996, although it could be brought forward to October. A date would be decided by June, be

The merger ratio has been set at one Bank of Tokyo share

being equal to 0.8 of a Mitsubishi Bank sbare. Mitsubishi plans a 0.05 to one gratis share issue for its sbarebolders ahead of the

Mr Takagaki will become president of the new bank and Mr Tsuneo Wakai, the current Mitsubishi president, is to be

Mr Kazuo Ibuki. Mitsubishi chairman, is scheduled to become adviser, but the banks have not decided on the status of Mr Toyoo Gyoten, Bank of Tokyo chairman and former ministry of finance bureaucrat. The new bank will use Mitsubishi's current head office

building in Marunouchi, cen-

tral Tokyo, as its headquarters.

Credito Italiano

A joint stock company - Registered Office: Genoa (Italy) VIa Dante No. 1 - Head Office: Milan (Italy) Plazza Cordusio
Registered with the Genoa Court, in the Companies Register under No. 22 and in the Banks Register and belonging to the Credito Italiano
Banking Group, registered in the Banking Groups Register with Code No. 2008.1 - Member of the Interbank Fund for Deposit Protection
Capital: Lit. 1,120,000,000,000 (onethousandonehundredandiwentybillion lire) fully paid up

CALLING OF AN EXTRAORDINARY SHAREHOLDERS **MEETING**

With a view to including in the Articles of Association, provisions as to the right to vote by mail as per the Ruling issued by Banca d'Italia, CONSOB (the Italian Securities and Exchange Commission) and ISVAP (Insurance Companies Supervisory Authorities) on December 30, 1994, Shareholders of Credito Italiano are called to attend an Extraordinary Shareholders Meeting to be held on April 27, 1995 at 6.30 p.m. in the Bank's Registered Office in Genoa, in Via Dante No. 1. If necessary, a second sitting will be held on April 28, 1995 at the same address at 3.00 p.m. and again if necessary, a third sitting on April 29, 1995 at the same address at 10.30 a.m., to discuss and debate upon the following

AGENDA

To amend Articles 12, 15 and 17 of the Bank's Articles of Association as follows:

Article 12

Entitled to attend General Meetings are the holders of ordinary shares who, provided they are duly registered in the Shareholders' Register, have deposited their shares according to law no less than five (5) days prior to the day of the Meeting.

Current text

Entitled to attend General Meetings are the holders of ordinary shares who, provided they are duly registered in the Shareholders' Register, have deposited their shares according to law no less than five (5) days prior to the day of the

New text

Shareholders may avail themselves of their right to vote by mail as envisaged by law. The Board of Directors may however issue complementary provisions in this connection.

Current text

The Chairman of the Board of Directors shall preside over The Chairman of the Board of Directors shall preside over every General Meeting of the Shareholders, but, in his absence, every General Meeting of the Shareholders, but, in his absence, or should he in any way be prevented from attending a meeting, then the sole Deputy Chairman or, should there be two Deputy Chairmen, the elder of the two shall preside, or, should he be absent or in any way prevented from attending, the other Deputy Chairman shall preside. Should both the Chairman and the sole or both of the Deputy Chairmen be absent or prevented from attending, then the Meeting will be presided by a Director or hy a Shareholder elected hy those present.

Whomsoever presides the Meeting will be assisted by a Sccretary elected by those attending the Meeting.

The Chairman at General Meetings shall be fully empowered to rule on the validity of the proxies and generally on the right of Shareholders to take part in the Meetings, to determine whether such Meetings are regularly convened and whether the necessary quorum is present, and to direct and oversee the proceedings. The Chairman shall formally state whether a

The Chairman shall appoint two scrutineers from among the

Article 15

New text or should be in any way be prevented from attending a meeting, then the sole Deputy Chairman or, should there be two Deputy Chairmen, the elder of the two shall preside, or, should he be absent or in any way prevented from attending, the other Deputy Chairman shall preside. Should both the Chairman and the sole or both of the Deputy Chairmen be absent or prevented from attending, then the Meeting will be presided by a Director or hy a Shareholder elected by those present.

Whomsoever presides the Meeting will be assisted by a Secretary elected by those attending the Meeting.

The Chairman at General Meetings shall be fully empowered to direct the proceedings. These include, for example:

ruling on the validity of the proxies and generally on the right of Shareholders to take part in the Meetings;

ruling on the correctness of voting forms received by mail and, generally speaking, that the voting rights themselves are correctly availed; determining whether such Meetings are regularly convened

and whether the necessary quorum is present; directing and overseeing the proceedings; deciding as to how the votes cast are to be counted, including recourse to electronic systems.

The Chairman shall formally state whether a Meeting has been validly convened and held. The Chairman shall appoint two scrutineers from among the Shareholders present.

Article 17

Current text

All resolutions, including elections to corporate offices, will be valid if passed by a show of hands.

New text

All resolutions, including elections to corporate offices, will be valid if passed by open vote. All votes cast by those physi-cally present at the Meeting will be valid if passed by a show

To delegate to the Chairman and the Deputy Chairman, Managing Director & CEO, jointly and severally, all powers required to render the above resolution enforceable, to accept and introduce into the above amendments and the new articles of the Bank's Articles of Association any amendments, additions and deletions which may be required by Banca d'Italia and the Law at the time of ratification and to lodge and register same pursuant to the Law.

The text of the Proposed Resolutions together with the Explanatory Note are on deposit at the Bank's Registered Office and Head Office and at Monte Titoli S.p.A.

All Shareholders who possess ordinary shares may attend the Meeting, providing that they are listed in the Shareholders Register and have deposited their shares with any branch of Credito Italiano or with Monte Titoli S.p.A., at least five days before the date scheduled for the Meeting.

We inform Shareholders that they may also avail themselves of the right to vote by mail as envisaged by the abovementioned Ruling. The voting forms, together with the admission tickets must be received by Credito Italiano - Ufficio Affari Societari - Piazza Cordusio - Casella Postale No. 991 - 20123 Milano (Italy) no later than the third bank business day before the date scheduled for the Meeting (i.e. by April 21, 1995 for the Meeting to be held on

THE BOARD OF DIRECTORS Shareholders are courteously invited to arrive well ahead of time, so as to expedite entrance formalities and consequently

ensure that the Meeting may start punctually. Shareholders who intend to avail themselves of their right to vote by mail, must - as envisaged by law - deposit their shares with any branch of Credito Italiano or with Monte Titoli S.p.A. (via any member bank of this centralised securities management company). Shareholders will be given an admission ticket as well as a voting form and a self-addressed envelope to be used to send the voting documents to the Bank. Same must be received by the Bank within the abovementioned time limit. Should Shareholders require any further information on how to vote by mail, they should either contact any branch of Credito Italiano or call FREE PHONE NO. 1670-18781 from April 12 through to and including April 24, 1995 from

This notice has been published in compliance with CONSOB ruling No. 5553 of November 14, 1991 and the joint ruling issued by Banca d'Italia, CONSOB and ISVAP on December 30, 1994.

NOTICE

ASAHI GLASS COMPANY, LIMITED

(the Company) Rearer Warrants to subscribe for Shares of Common Stock of the Company issued with

5½ per cent. Notes 1998 Notice is hereby given that the Company has resolved at the General Meeting of Shareholders held on 30th March, 1995 to change its Financial Year as follows:

U.S.\$370,000,000

1 Financial Year before change: from 1st January of a year to 31st December of the same year.

 Financial Year after change:
 from let April of a year to 31st March of the following year. in accordance with such change, the current financial period of the Company began from 1st January, 1995 and ended on 31st March, 1995.

ASAHI CLASS COMPANY, LIMITED

1-2, Maranouchi 2-chome. Chivoda-ka, Tokyo, Japan US\$300,000,000 Eagle Pier

Floating Rate Secured Notes due 2001 Notice is hereby given that the notes will bear interest at 6.6875% per annum for the period 3 April 1995 to 3

October 1995, Interest payable

on 3 October 1995 will amount

to US\$33.99 per US\$1,000 note.

Corporation B.V.

Agent: Morgan Guaranty Trust Company

JPMorgan

Rules on disclosure tightened by IASC Carried to the state of the sta

No. Pers Pers

The second second

4th April: 1995

The state of the s

Burmah rises on strong | Morgan Crucible demand in N America

Buoyant trading conditions in Asia and the US last year helped boost net profits at Burmah Castrol, the specialist oil and chemical producer, from £117m to £157m.(\$250m)

Exceptional items included a \$50.6m profit from the sale of Castrol's Singapore site and a £26.8m loss from a property revaluation.

Earnings per share rose from 53.1p to 69.4p. The group announced a total dividend of 32.5p per share (27.5p) including a final of 10p and a 12.5p foreign income dividend. Mr Lawrence Urquhart,

chairman, said the group intended to "maintain our long-established progressive dividend policy. Mr Jonathan Fry, the chief executive, said that turnover

was up just 6 per cent to Operating profits from lubricants which account for the bulk of the group's business, were up 18 per cent worldwide

to £181.2m, against £153.9m. Demand was particularly strong in North America and Asia, where profits rose by 37 per cent and 33 per cent, but trading in Europe remained difficult, Mr Fry stated.

Operating profits at the chemicals division jumped by 34 per cent to £48.9m. Mr Fry said moch of the improvement

A doubling of sales in the US

allowed Bemrose Corporation, the promotional and security

printer, to report a 47 per cent

increase in 1994 pre-tax profits,

contribution from McLeery

Cumming, the secood largest US publisher of advertising

calendars which was acquired

in 1993, group sales were 40 per

cent higher at £125.7m (\$200m)

against £90m, and pre-tax profits rose from £10.8m to

As a result of a string of

small acquisitions, the adver-

tising and promotional prod-ucts division, which produces

diaries and calendars, now accounts for 70 per cent of

sales, up from 45 per cent three

doubled to £9.67m (£4.65m) on

sales of £67.7m (£35m). Mr Rod-

ger Booth, chief executive, said

that the market for promot-

ional pens and pencils was the

fastest growing sector. The

group acquired Ritepoint/Chro-

matic, a Missouri-based pen

manufacturer, in August for

UK operating profits were

flat at £6.73m (£6.65m). Mr

Booth said that operating mar-

gins for promotional products

in the UK of 10 per cent were 4 for the year.

Helped by the first full-year

Bemrose up 47%

on US sales boost

Share price (pence)

1994

to 5 per cent lower than in the US, but that in the next two

years the UK would "catch

The security printing divi-sion recorded static sales of

competition in the transport

tickets market. New products,

such as Russian lottery tickets,

have allowed the group to

diversify away from the decl-

Gearing was down at 41 per

cent (46 per cent), despite

£14.4m expenditure on acquisi-

Earnings per share increased

12 per cent to 32.45p (28.99p). A

final dividend of 8.3p is recom-

mended, making 13p (11.54p)

ing bank cheque market.

tions and investment.



Jonathan Fry: European trading remained difficult

was attributable to cost reductions at Foseco, the subsidiary which supplies chemicals to the metallurgical industry. Foseco also benefited from higher demand and the introduction of new products.

Chemicals demand grew strongly in the fourth quarter, and executives predicted continuing strong growth this

Burmah Castrol's fuels business continued to suffer last year. Profits worldwide were down 19 per cent to £20.7m after a "disastrous first half", according to Mr Fry. The division was hit hard by the economic crisis in Turkey and difficult operating condition in the UK, where supermarkets continue to erode the market share of traditional service sta-

Mr Fry said the fuels business remained a "core activity," But it was not as central to Burmah Castrol's future as chemicals and lubricants, and the company would be willing

Strong cash flow allowed the company to cut its net gearing to 50 per cent compared within 72 per cent in 1993.

Fortune Oil

doubles and

moves into

distribution

From turnover up from £41.7m

to £56.9m (\$91m) after-tax

profits of Fortune Oil, the oil

and gas exploration concern,

doubled to £1.06m for the year

ended December 31, compared

Mr Barry Cheung, chief

executive, said that oil trading

had been the company's pri-mary business and although

that would still be an impor-tant contributor, "our goal is

for infrastructure investment

and distribution to account for

the bulk of our earnings

Earnings per share were unchanged at 0.1p.

within three or four years."

Drummond converts

its stake in the ordinary

shares of Drummond Groop,

the textile company, from 8

per cent to more than 23 per

The diversified French

group, with interests includ-

ing textiles and broadcasting, is to convert 1.65m of its 2.5m

variable rate preference shares

into 3.5m new ordinary shares

at 47p. Other shareholders will

be offered the shares on a

1-for-5 basis at the same price.

The redemption of Cbar-genrs' ontstanding variable

rate preference shares will be

deferred and the conversion

rights to all its convertible

preference shares, which represent the total of that class,

Anglo-Eastern Plantations more than doubled full year

pre-tax profits, from £2.83m to

£6.32m, (\$10m) thanks to

higher prices for its three com-

modities - palm oil, rubber

supplies business based at El Paso and Juarez on the US/

Mexico border, to a US com-

The purchaser is Interna-tional Music Corporation, one

of Chloride'e main customers. Taking CEP's losses into account, Chloride warned that

for the year to March 31 its

pre-tax profits before excep-

tionals would be below market

expectations at about 22.2m.

Chloride will take an excep-

RMC Austrian buy RMC Group has bought a 24.92 per cent interest in Kies-Union Vereinigte Kieswerke, Aus-

tria's leading aggregates producer. And K-U has bought 24.92 per cent of Lieferbeton, a wholly owned RMC subsidiary.

The net result is a payment of

£18.3m (\$30m) by RMC and a

£20.4m valuation of the stake

tional loss on the disposal of

will be cancelled.

Anglo-Eastern

year's total of 1.65p.

pany for \$1m cash.

about £2.7m.

and cocoa.

cent in a share conversion.

with £503.000.

10% higher as price rises hold

Economic recovery in most of its markets and price rises which held, helped Morgan Crucible, the speciality materials manufacturer, lift pre-tax profits 10.5 per cent in the year to January 4.

Mr Bruce Farmer, managing director, said order books for the current year were showing their strongest start since

Margins rose from 10.2 per

cent to 10.5 per cent, and were continuing to rise this year. The benefits of price increases, new product development and restructuring are now ehowing through in improved margins. The year has started on a strong note", said Mr Farmer.

Group turnover rose slightly rom £793m to £795m. (\$1.27bn) Excluding the sales of Holt Lloyd, the car care business sold to management in August, turnover rose 7 per cent from

Operating profits increased

North America and continental Europe showed the strongest growth, while the UK mar-ket was more subdued. The South American and Australasian markets were flat, and in Sonth East Asia, sales grew strongly except in Japan,

where demand was depres The main area of weakness was in technical ceramics where margins were squeezed because of a cutback in the defence and aerospace industries in the US.

Net cash inflow was £52.3m (£0.6m), the bulk of which reflected the sale of the Holt Lloyd business. Year-end gearing fell from 69.6 per cent to 36 per cent, on net borrowings of

Earnings per share rose from 20p to 22.1p. The final dividend is 7.15p, making a total for the year of 13.1p per chare (12.6p). On a forecast of pre-tax profits of £81m, the forward p/e is about 13.5, a slight premium to the market.

Famous Grouse fails to satisfy

By Roderick Oram. Consumer Industries Editor

Highland Distilleries, maker of Famous Grouse Scotch whisky, reported lower than expected pre-tax profits for the six months to February 28 after it lost momentum in home and export markets, reversing a long trend which had seen it outperform the sector.

lts shares fell 26p to 357p on news of profits of £23.7m (\$38m), compared with £23.4m, and against a consensus forecast of £24.9m. Analysts down-graded forecasts amid doubts that Highland could quickly regain its momentum. . At the turn of the year the shares were trading at 440p.

"It looks like both sources of momentum are slowing after a very good run over the past three or four years," said one

Export volume growth dwindled to 5 per cent against about 15 per cent over recent years when Highland benefited from distribution through Remy Cointreau, the French drinks

Mr Brian Ivory, chief execu tive, said exports were affected by a 10 per cent fall in duty free sales and some destocking in France. The group's underlying trend was still good and outperforming the industry's 3 per cent export growth.

UK shipments were up 6 per cent but competition remained stiff. Market share of Famous Grouse, second to Guinness's Bell's in the UK, has slipped from 13.8 per cent last August to 13.5 per cent. Highland stuck with its policy of pre-mium pricing during the Christmas period and has since raised prices by about 3.5 per

Donnelley bids for ICD

RR Donnelley, the US printing Foods, which is headed by Mr group, has made an agreed David Cicurel, ICD's chairman, Communication & Data, the USM-traded marketing services

and database group.

The offer, made via RR Donnelley Marketing Services, is 14.5p cash for each ICD share. The deal has been accepted in respect of 35 per cent of the ordinary sbares. Continental 10.76 per cent stake and will receive £1m. ICD also released its interim

results, showing halved pre-tax profits of £95,000 (£191,000) for the six months to November 30. Turnover dropped from £2.91m to £2m and earnings per share came to 0.15p (0.34p).

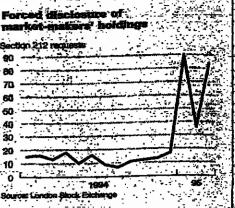
LEX COMMENT

Market-makers

The London Stock Exchange is struggling to overcome its reductance to bite the hand that feeds it. The decision to review market-makers gramming from the decision to review market-makers gramming from the struggling to overcome at the struggling to overcome its reductance to bite the hand that feeds it. ers' exemption from disclosing any holding of more than 3 per cent in a quoted company was prompted by controversy over holdings in Northern Electric and Yorkshire Electricity by Swiss Bank Corporation's market-making arm. But the problem ultimately etems from dra-matic changes in market practice since Big Bang. Market-making has become inseparable from dealing for one's own account. Yet one of the options in the Exchange'e consultative document is to reinforce the distinction between traditional market-making and pro-prietary trading. This would be unenforceable,

in practice.

Instead, facilitating market liquidity should be the criterion for exemption from disclosing stakes. Market privileges are not designed to help dealers make profits from large positions. whether or not these may then be hawked around to potential predators. SBC's 8 per cent stake in Yorkshire Electricity was several times larger than any other market-maker's



All investors - including market-makers should be forced to disclose positions of more than 3 per cent. But completely scrapping the current exemption is not even on the Exchange'e list of options. Moreover, despite the recent controversy, one of the four options set out yesterday was "no change to present arrangements".

Cookson pays up to \$150m for MPM Enterprises

Cookson, the industrial materials group that has just raised £193m (\$310m) from a rights issue, is to pay up to \$150m for MPM Enterprises, a US electronic materials manu-

The consideration consists of an initial \$65m in cash, with a further payment of up to \$85m depending on its financial per-formance over the next three

MPM makes screen printing equipment which is used in surface mounted printed circuit board assembly. Cookson'e existing Alpha Metals and Electrovert operations make specialist materials and equipsurface mount technology pro-Mr Richard Oster, Cookson's

chief executive, said: "By including MPM within outexisting electronics materials operations, we progress. towards being able to offer customers total process solutions using a combination of Cook-

son materials and equipment." At the time of the rights issue. Cookson announced the acquisition of Tolaram, a US fibre manufacturer, for an initial £40m and said it was in advanced negotiation on two further acquisitions in electronic materials and ceramics.

\$55.5m in the year to June. 1995. Net assets at that date were \$12.5m. Cookson's electronic materials division saw profits jump to

a fast growing segment of the worldwide electronics indus-

try, and is a prime example of

the target complementary

acquisitions to which we

referred at the time of the

MPM made a pre-tax profit of \$9.8m (£6.1m) on sales of

recent rights issue."

E52.6m (£37.1m) last year boosted by previous acquisi-The rights issue, which closed last week, was taken up

Mr Oster said: "The acquisiby 98.3-per cent of existing tion further strengthens our

Camas advances to £19m as construction sector recovers

By Andrew Taylor, Construction Correspondent

A recovery in UK construction output helped pre-tax profits of Camas, Britain's fifth largest aggregates group, rise by 75 per cent in 1994 from film to

£19.2m.(\$31m) US profits also rose, helped by acquisitions. China Clays last June, Camas" increased turnover by 23 per cent to £449.9m (£365.2m).

Volume sales of crushed rock, sand, gravel and coated roadstone rose by 9 per cent in the UK last year, excluding acquisitions, said Mr Alan Shearer, chief executive.

Aggregates prices rose by 7 per by the rise in UK house build-cent, while margins on coated ing, rose by 11 per cent in 1994, tione in the UK increased by while prices rose by 9 per cent

European profits, of which to £11.8m (£8m) including a the UK provides about 90 per cent, grew by 64 per cent to £16.2m (£9.86m).

been even better but for £2.5m of exceptional costs associated with the group's decision to value paving stones at the expense of higher value prod-

The company pulled back from this decision after margins suffered in its building materials division where it has made management changes. Concrete block sales, helped

50th birthday this year, has long relied on exports to boost

sales, though last year sales

rose slightly faster in the UK

than overseas, advancing by 55

per cent to £226.6m. That

reduced exports from 63 per

cent of turnover to 60 per cent.

Sir Anthony said exports

should rise to a more normal

65-70 per cent of sales this year as UK turnover stabilised.

Overall, he said profits

should rise a little this year.

The US market, where sales

rose 42 per cent last year, was etill growing. Initial reports

subsidiaries, which saw a sales

rise of 38 per cent, indicated a

a tax-free profit-related pay

US profits rose by 47 per cent first time contribution of almost £4m from the former Kost businesses in North The performance would have Dakota. Without this contribution. US profits would have dipped from £8m to £7.79m.

The shortfall was due to the

airport, which has caused the postponement of private infrastructure projects, such as hotels, which were expected to go ahead when the airport opened, said Mr Shearer, US markets were likely to

remain flat. A fall of 15 per-cent in US housebuilding was expected largely to be offset by rising private commercial and industrial construction.

UK profits by comparison were expected to increase fur-ther with price rises and margin improvements more than compensating for a forecast 2 per cent fall in volumes sales of aggregates and a 5 per cent drop in coated stone volumes.

(1) 10 mm (1) 1

REGIONAL SER SCONOFFA WAT

- **5**.,

8.20 8.10 9.00 7.00 8.90 8.90 8.90 8.90 8.90 10.50 10.

New products help JCB to record

JC Bamford Excavators, the UK's blggest construction equipment manufacturer, reported 1994 pre-tax profits almost trebled from £26.6m to a record £72.9m. And it is expecting even higher resuits this

The figures, announced yesterday at Bauma, the Munich construction equipment fair. underline the repid recovery from the recession made by debt-free, privately-owned JCB. Its profits reached a low of

Turnover for 1994 was ahead £8.3m in 1992. at £12.9m (£8.01m). Earnings Turnover surged from per chare rose to 18.5p (7.4p) and a single final payment of £398.4m to £564.1m, with exworks ehipments increasing 3p is proposed as a foreign income dividend, against last from 11.508 machines to 18,025. In unit terms the company is now the world's fifth biggest construction equipment producer, said Sir Anthony Bam-

Chloride forecast ford, chairman. Chloride, the electronics Mr Tim Leadbeater, commergroup, has eliminated a loss-making activity with the sale of Chloride El Paso, its power cial and planning director, said

in 1980 and 1981. This was partly due to the strength of JCB's new product programme. New machines introduced over the past five years contributed nearly £140m of turnover in The eurge in profits was

JCB had recovered much more quickly from the recession

than it did after the downturn

mainly volume-based, and JCB was able to raise prices only slightly, said Sir Anthony. "The construction equipment business remains very competi-The Staffordshire-based com-

pany cut £25m from overheads during 1992 and 1993, and remains strongly cash generative, in spite of increased working capital to reflect the higher volumes. Its cash inflow, which surged from £8.1m in 1992 to £51.8m in 1993, was £39.6m last

To cope with the rising demand, JCB's worldwide



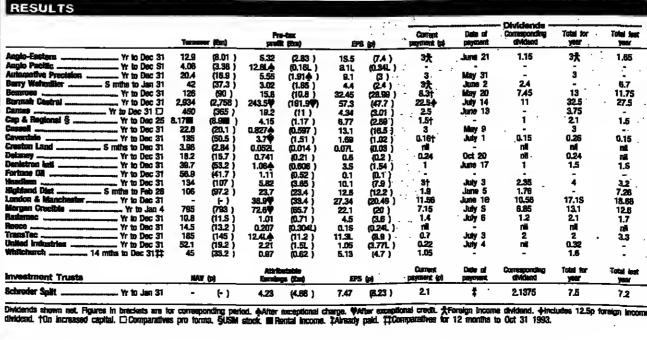
Sir Anthony Bamford: market remains very competitive

group workforce rose from 2,363 to 3,019 at year-end, yet annual output per employee rose from five machines to nearly 6.5.

JCB, which celebrates its

from continental European further rise this year. The sharp rise in profits has triggered the first payments in

> scheme for all 2,700 UK employees, who received £700 at Christmas and are due for a further payment of about \$200 at Easter



THE account for the MILLENNIUM **PA GROSS** 5 year fixed term If you act now your money could be earning high interest £50,000 - £250,000 right up to the Millennium year 2000 in a Lombard '2000' The Lorribard Premier '2000' account is a five year fixed term account designed to produce an excellent return on your money. No matter what happens to interest rates elsewhere a Lombard Premier '2000' account will continue to pay the same high fixed rate each year until it matures in the Millennium year 2000. The interest rate is fixed during the period of deposit. Interest is paid annually into a Lombard Classic 30 Account - a special type of 30 days notice account - where it can remain to earn further interest or it may be withdrawn. For full details of the Lombard Premier '2000' account and our comprehensive range of Lombard deposit accounts for £1,000 and above please fill in and post the coupon or phone us any time on 0171 409 3434 of FAX us on 0171 629 3739. Gross rates assume no deduction of basic rate tax. Pates are consci at time of going to press but may change. Lombard Premier "2000" socounts are fixed term accounts and Lombard **DEPOSIT ACCOUNTS** NAME IN Mr. Mrs. Mrs. Registered Office: Lombard House, 3 Priocess Way, Redbill, Surrey RH I INP, England Aiming to be your first choice

TUESDAY APRIL

Makedan Tares

to the desirate manager

But the party with

to \$150

Selection as a Table to

A fee greate was

WESTER HE SHOULD

ATT. BEE STREET

the torget company

THE HEALTH STATE

The same of the same of

186. 36

4

Track.

444

£19m a

recovers

TAN- DO NOTE:

it in the cuid

್: ಕಾಲ ೬-೮ ೫ ಕ್ಷೇ

1. 41.3

Crosses decrees

THE STATE OF THE S

A COLUMN MOTOR

place is not ever a

MARK COT OF COLUMN 485 A.M. To The State of St.

Page III: cars, cans and fishing. Page IV: tourism; border trade; public works

is not often that Galicia, the most isolated of Spein's mainland regions, finds itself at the centre of things. When it does come into the international spotlight, it is usually because of a fishing

All the state of the state of

Since this northwestern corner of Spain is the base for almost half the country's fishing fleet, the protagonists of recent strife, whether with the British over imminent Spanish access to fishing grounds or with the Canadians over trawler catches. have been Galicians. Their trawlermen are viewed with hostility by people such as the Newfoundlanders or the Cornish, with whom they have much in common. Equally, there is nothing like a good fight to prove how Galicians can pull together

in adversity.

Galicia has more resources than fisheries, but the vicissitudes of the fishing industry reach deep into its economy and society. One in 25 jobs is at sea. A large part of industry depends on it, from canning to the construction of fishing boats, almost the last remnant of the shipbuilding sector which was once the region's industrial mainstay.

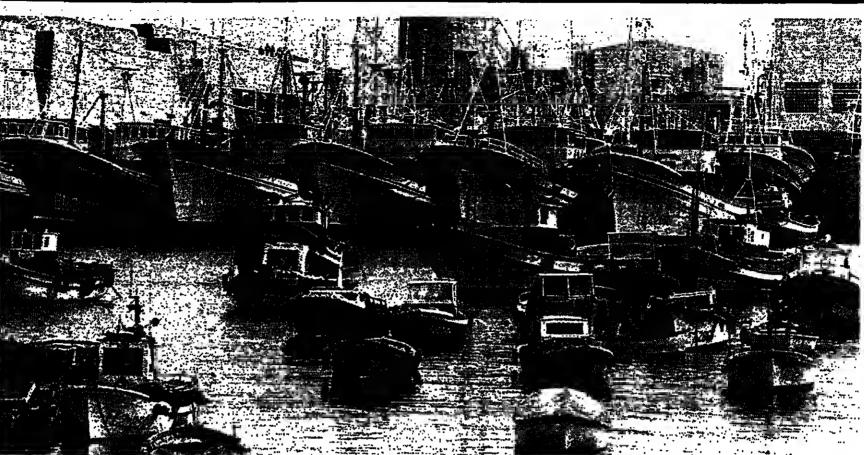
In what is still in many respects a retarded region, the bulk of the population has slowly but steadily spilled down from the smallholdings of the interior to the relative wealth and industrial ports of the western coastal strip.

With 2.7m people in a territory roughly tha size of Belgium, Galicia is turned towards the coast, with its back to the rest of Spain. Poor connections with the centre of the country - in the process of being overcome - have left it virtually hidden

Galicia is distinctive, its people renowned for their reserve (a gallegada in Spanish is an evasive answer) and peasant superstition. Celtic roots are still evident in its music. With its wet Atlantic climate, it is an unspoilt land of granite mountains, hush valleys and jagged coastline, its glorious rias or estuaries providing livelihoods for mussel-growers (Galicia is the world's biggest producer) and smugglers alike.

In spite of EU funds, the apprehension which in northern Spain greeted the country'e accession nine years ago has been largely vindicated. Galicia's experience stands out in contrast to that of Mediterranean regions. Membership has meant limits on its agricultural staples — milk, above all. At the same time, entry into the common fisheries policy (now set for next year) was delayed, accentuating the sector's overcapacity.

up to now been negative," asserts Mr Antonio Ramilo, the outspoken head of Galicia's employers' confederation, arguing that the region has not received equiv-alent benefits in improvements to its infrastructure. Galicia will not resolve its passive mood in the region. People did



Down to the sea in ships

basic problems until it neutralises its distance from the centre," he says.

Mr Manuel Fraga, the veteran politician who has been the region's president for the past five years, accepts that the EU has generated "mixed feelings". Benefits, he says, have been unequally distributed.

ha presence of a political heavyweight such as Mr Fraga, formerly leader of Spain's conservative opposition, has unquestionably raised the region's profile both in Spain and in Europe. This is recognised by Mr Xerardo Estévez, the Socialist mayor of Santiago de Compostela, the regional capital, where "The balance of the European Union has part of the neoclassical town hall facing the cathedral is given over to the Galician government, known as the Xunta. He says Mr Fraga "has given prestige to the region without any doubt".

Mr Fraga believes there is a new, less

Fishing is the staple industry of this remote Atlantic region of Spain. But the fleets are having a tough time and Galicia is developing other means of income, writes David White

here," he says. Galicia was one of three "historical nationalities" recognised by the Spanish Republic in the 1930s, and was on its way to self-government when the Civil War intervened, Although General Franco was a Galician - the naval port of Ferrol, his birthplace, was rebaptised El Ferrol del Caudillo during his dictatorship - be is regarded as having done little to favour

the region. In the post-Franco process of regional devolution it was given fast-track treatment, with its own president and parlia-

not think it was possible to change things ment established in 1981. Mr Fraga's Popular Party now holds 43 of the 75 parliamentary seats, making Galicia the most secure conservative territory in the country,

albeit with Socialist encampments. Galicia is distinct from the Basque Country and Catalonia in not having a dominant regional nationalist party with backing from the business class. National-ism grew here in the 19th century in parallel with the other two regions but was, and is, more limited in its support. Mr Fraga's Basque and Catalan counterparts see their territories as something more than regions. But Mr Fraga is happy with

the word "regionalism". Galicia, he says, is not going for self-determination. But he is too canny a politician to set precise limits to its aspirations. "In politics and history there are no fixed ceilings," he says.

To the surprise of those who have

watched Mr Fraga from his early career as a minister under the uncompromisingly centralist Franco, he has emerged as a champion of regional causes. He is actively campaigning for the EU principle of subsidiarity - leaving functions to tha appropriate level of government - to be applied not just to member states but to regions, and seeking a formula which would enable regional governments to take cases to the European Court.

Mr Fraga is at the same time arguing for greater inter-regional solidarity in shareout of funds. He is pressing for reform of the financing arrangements whereby Spanish regions receive 15 per cent of the

tax collected on their territory, advocating a more complex system capable of providing "a guarantee of minimum services

mall

titue

l per

can

we lecti wio

ıd di

ing.

nme n No

star

ab

l ma

ppir ling stal ed ilt

Self-government has reinforced Galicia's sense of its own identity, notably through the reinstatement of the Galician language, a relative of Portuguese with Spanish traits and some oddities of its own. With it has come Galician-language television and a rash of publishing houses.

In common with other regional governments, Galicia's bureaucracy has had its problems - including the accumulation of a Pta287bn (\$2.2bn) debt and a series of local affairs about jobs and contracts being dished out to friends and relatives. But under Mr Fraga crucial services - notably the telephones - have been brought up to date, new instruments created to assist business, and the ground laid for future growth in sectors such as the food industry, forestry and "quality" tourism.

owever, Mr Fraga still sees Galicia as fighting a battle alongside other peripheral areas of Europe against a disequilibrium favouring more central regions. "There is a historical deficit that

has to be repaired," he says. Until recently, unemployment has been low compared with the rest of Spain - an apparent contradiction for a region which has been a source of heavy emigration in the last century, first to Latin America and later to northern Europe. Both pbenomena reflect the archaic structure of rural Galicia, crowded with small, divided and inefficient farms. Almost 30 per cent of employment is still in the primary sector, a proportion seen practically nowhere else in Europe. In many cases this does not mean full-time jobs. Social security payments outweigh agricultural income in many communities. Old age and low skills are characteristic of the farming population. Not untypical is O Páramo, a municipality grouping 18 parishes in Lugo province, where the death rate is three times the birth rate, Many farmers still cultivate potatoes, maize, turnips, wheat or barley mainly for their own consumption.

The countryside is still recognisable from writer Gerald Brenan's description more than 50 years ago. "The country is dotted over with little farms each containing just enough land to support one family....Each family has its own cow, which does the ploughing and provides a little cheese and mik..."

Nor would Galicia's leaders today contest his conclusion: "Generally speaking, one may say that the remoteness of Galicia from tha rest of Spain and from its social and political problems (a remoteness accentuated by an execrable railway system) has been its chief characteristic. But they are in a hurry to consign that reality to the past.

GALICIA

Excellent Business Opportunities





IGAPE

Galician Institute for Economic Promotion C/ Fray Rosendo Salvado 16 16701 Santiago de Compostela

Spain Tel.: 3481/54 11 80 Fax: 3481/ 59 04 67 BANKING

Big savers with strong loyalties

from A Coruña to all Galicia

with no fewer than 15 edi-

tions. La Voz's book publishing division has recently published an emberrassing panegyric on the Caixa's man-

aging director Mr José Luis Mendéz written by the newspa-

per's economic news editor

that describes the Caixa, the

15th biggest banking institu-tion in Spain, as a "financial

The question is how much

longer can this cosy world con-

tinue unaltered. The broad fea-

tures of the banking system

accurately reflect the region's

isolation and its high emigra-tion hnt Galicia is changing on

"Emigration has shaped Gal-

ician banking," says the chief executive of a local bank. "The

people who left sent money home hecanse they wanted

their pueblo to know that they were making good. The bigger the institution, like the Caixa

or Pastor, the more represen-

tative offices they have in Bue-

nos Aires, Mexico, Paris and

Madrid, wherever there are

However, remittance money

some 40 per cent of the

deposits of Caixa Ourense,

based in the heart of rural

Galicia, ls believed to be based

on the emigrant sector – is declining. Galicia's harriers

with the ontside world are

coming down fast and hank

financial sophistication.

gallegos, to channel the remit-

both counts.

Galicia, such as relishing lamprey ples, rounding up wild horses and helleviog in witches. Not surprisingly, the banking system is also a little

Where else in Spain, for example, would parish priests in remote hamlets be hired by local banks to enrol custom-

The chief features of Galician banking are the high and very stable savings ratto coupled to extremely conservative habits that have allowed the banks to build up deposits at a very low cost. Clients have also tended to be extremely loyal, from generation to generation, to their particular hank, especially if it ts endorsed by their local padre or by some other significant person in the community such as the local vet or land agent.

headway bere," says a bank executive in A Coruña. "People are fanatical about their libreta, and they don't care too much about what their saving

account earns them." The scramble for business that characterises Spanish banking makes little sense in Galicia and the main national banking groups that have for years waged a "deposit war" to attract customers keep a low profile in the region. The regional institutions have a far stronger impact on the local banking system than

anywhere else in Spain. Split evenly between the savings banks and the private hanks, Galicia's financial sector is dominated by Caixa Galicia, the result of a string of mergers among small savings banks that began in the late 1970s, and by Banco Pastor which was founded in 1925, and has nearly 300 branches in the region. The Caixa ranks seventh nationally among the savings banks in terms of customer deposits and Pastor is

the ninth largest private bank. Finance in Galicia appears to an exclusive club locked in to local wealth. It receives eothusiastic attention from La Voz de Galicia, the newspaper group which, much like Pastor

ne of Spain's least developed regions, Galicia may be catching up slowly with the rest of the country and with average income levels in the European Unico - or not, depending on how the figures are

The regional government, the Xunta, flaunts statistics showing that Galicia's economy over the last fiva years, from 1990 to 1994 inclusive, outperformed both the Spanish and EU average with cumulative real growth of 5 per cent. Galicia survived Spain's 1993 reces-

sion relatively well, being one of the few regions that ahowed positive growth for the year. On the other hand, its performance in the incipient recovery lagged behind with a 1.6 per cent increase in regional output last year, against 2 per cent for Spain as a Mr Alberto Meixide, an economics

professor at the university of Santiago de Compostela, disputes whether Gali-cia is really overcoming its disparities. Taking figures for the last 10 years, including the country's expansionist phase in late 1980s after EU entry, he says there is no evidence thet the region is gaining ground, even though it is one of the largest recipients of EU funds. If it has fared better in difficult times, he says, it has not matched other regions' growth rates in better times.

Economy advances in fits and starts, writes David White

Long way to catch up

Unemployment has always been comparatively low because of the region's structure of small farmhold-ings. But the official rate has increased by half since 1988, from 12.3 per cent to 18.9 per cent of the active population. This is still below the national level of almost 24 per cent and nothing like Andalucia where the rate is nearly 35 per cent – but Galicia is the region where the increase has been sharpest. Employment during that period has shrunk by a third in the primary sector and a tenth in industry, with the only significant increase in services, including tour-

The crisis in shipbuilding, a backbone of the industrial sector with a hig network of auxiliary suppliars, has been only partly offset by new industry and the consolidation of the motor sector around the Citroën factory in Vigo. Astano, the commercial yard at the naval town of Ferrol, has exited from the building of ships alto-

At the same time, differences between the more dynamic coastal

tions, and the interior have become accentuated. Social transfers exceed agricultural income in rural areas, The provinces of Lugo and Ourense rank among the country's poorest. "For many families, having the grandparents living at home is more impor-tant than earnings from the farm," says one economist

griculture and fisheries account for 8 per cent of regional income but nearly 30 per cent of employment - a remarkable figure for a European region. However, according to the Xunta's figures, this has come down from almost 37 per cent at the end of the 1980s, five times the EU average.

A structure of small and dispersed farms - legacy of an archaic leasing system - has held back productivity. Considerable efforts have been made to update the dairy, meat and wine industries, and investment in farm machinery and moves to concentrate land holdings have made an impact. However, owners are reluctant to sell and prices are out of proportion to potential revenues. High land prices are also a barrier to industrial devel-

The fishing industry suffers from excess capacity in the face of continuing pressure over its access to fishing grounds, in spite of the EU's agreement to bring forward Spain's participation in the common fisheries policy to January next year. According to the Xunta's figures, the region's 8,800 fishing vessels - 45 per cent of the Spanish total - directly employ more than 40,000, with another 15,000 working in the shellfish sector.

Under the share-out of EU support funds for 1994-99 agreed last year, Galicia is due to receive direct invest-ment equivalent to Pta192bn, the second largest package for any Spanish region after Andalucia, which has a population two and half times Gali-cia's 2.7m. The main part of this. some 45 per cent, is due to go on improving the productive system. including industry, tourism, agriculture and fisheries

Reforts to spur industrial development in Galicia go back to the early ment in Galicia go back to the early 1970s with Sodiga, a risk capital venture originally controlled by the Spanish state holding company INI. This has now been brought together with the regional government's economic development institute, Igape, which began operating two years ago, pro-viding soft loans and assistance to small and medium-sized companies. The Xunta has now added to its range of support instruments with the creation of a strategic investment holy Inesga, in association with local banks and savings banks. This is aimed primarily at creating clusters

of industries around large groups.... Regional officials and employers look particularly to the future development of forestry and wood-based industries, the livestock sector, clothing, and possibly a revival of shipbuilding.

A principal aim is to bring to Gali-cia more of the value-added activities linked to its primary products.

The region also has considerable potential as an exporter of energy. It currently has a moratorium on the building of small hydroelectric stations while studies are completed, but it is estimated 300 or 400 could be built. And there are hopes that exploration off the northern Portuguese and western Galician coast will pro-

David White discusses the three political incarnations of Manuel Fraga Iribarne

Vigour of a veteran survivor

Nothing, it seems, stops Mr Manuel Fraga Iribarne. A esser or less energetic figure might, at 72, regard the presidency of his home region as a peaceful sinecure at the end of a remarkable political career. But as he lopes around the offices of Galicia's parliament building there can be no question about who is in charge.

customers, whatever their empathy with their local priest, will gain new levels of The length of time Mr Fraga has spent in the limelight both It is a sign of the times that before and after the country's a group of husinessmeo, including the inditex clothing group which is the emblem of transition to democracy sets apart among him contemporary Spanish politicians. His life in politics new money in Galicia, has been not so much a career acquired Banco Gallego, a foras three careers.

mer subsidiary of Banco Central Hispano (BCH), two years With a brilliant academic record in law and political ago to compete aggressively with the established instituscience, Mr Fraga worked up tions. Realising that Galicia is through the Falangist political organisation, the Movimiento. overbanked and that its dominance is threatened, Pastor is After a first senior expanding outside the region, administration post in the as is the Caixa which last year education ministry, General bought offices in Valencia. Franco made him minister of information and tourism when

easing the regime's strict censorship, he was removed in 1969 for being too liberal, and four years later was sent off as ambassador to London.

Widely looked on by western

governments as one of the great hopes for moderate reform in Spain, he was back in the first post-Franco cabinet as deputy prime minister for home affairs. In 1977 he set up the conservative Popular Alliance, which bas since become the Popular Party, in the first general election, it fared surprisingly badly, coming fourth behind the Communists. But with the Socialist election victory in 1982 it established itself as the main opposition, with Mr Fraga in his second political incarnation as opposition

Faced with the party's apparent inability to shake off sociations with the past, he left the leadership four years later, although remaining honorary party president. In



Manuel Frags, president of the Galicien Xunta: a pioneer of reform since the days of Franco

securing an absolute majority, reinforcing it in the last elections in 1993 and emerging, to the surprise of many, as a believer in regional autonomy,

From his days serving a dictator for whom regional autonomy was anathema, it would appear an extraordinary conversion. But Mr Fraga

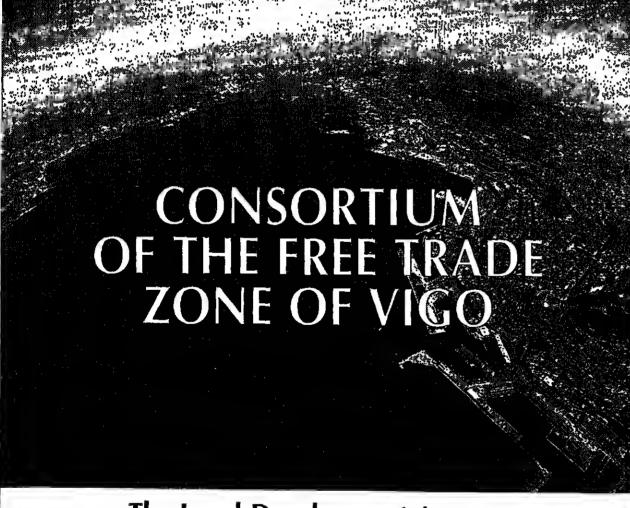
always said the same," he

People have been wrong, he says, to think in terms of two alternatives. shrugs off the question. "I have nationalism and centralism. He

does not subscribe to Galician nationalism but champions regional demands, urging eform of the Spanish senate to make it the voice of the regions and arguing in Europe for the subsidiarity principle devolution of decision-making to be applied to regions as well as member states.

Could he have imagined 30 years ago that he would one day address the Spanish parliamant in the Galician language? "Since I was born. I have always spoken Galician and Spanish at the same time," is Mr Fraga's oblique answer. A famonsly robust and formidable figure, of legendary short patience and impulsiveness, rapid of speech, working to a clockwork schedule, Mr Fraga nonetheless appears to have mellowed in his presidential

He says he plans to retire at the next regional election in 1997, when he will be turning 75. "It is a very reasonable age. And apart from that I will have done my joh." By this he means having ensured that Spain has a national alternative to the current Socialist government, and at the same time 'leaving Galicia in good order".



The Local Development Agency of the first industrial city of Galicia

Our on-going projects are:

- The setting up of specialized indus- The financing of entrepreneurial trial land, from a traditional industrial initiatives through our venture capital state (where Citroën has a production factory with 7.000 workers and the GKN group has a factory with 800 workers) to a Technology Park for companies that invest in R&D.
- - The development of advanced business information systems. ■ The provision of storage space for
 - imported merchandise in a free trade

If you are interested in receiving more information, please do not



Consortium of the Free Trade Zone of Vigo

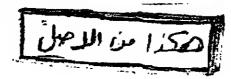


Play with the best.

in golf, even the best of players will fall short of the mark without an in-depth knowledge of the course they're playing. In Investment Banking, Santander Investment offers unparalleled local expertise compled with a unique global perspective and financial strength. This powerful combination enables our clients to capitalize on opportunities without taking imnecessary risks.



Santander Investmen



GALICIA III

صكدا من الاصل

■ SOCCER

Coruña team walks tall

Coruña is one of Galicia's institutions, never more than in the last couple of seasons. And so is its chairman, Mr Augusto Cesar Lendoiro, whose imperial first names match his com-bative reputation.

JUESDAY APRIL

Sound Sound

Mione! Establish

Service Mailtain

Links has now the

port instrument

a th stronger and sales

Market 2

Court of Carlo

med of law and and

PARTY SERVE

and the sales

M 1000 230 03

The of the state o

The state of the s

And there are

Mern Galerin Con

done mer summing

Hetional Jensey

Selanto of the Same

Make : De Tim

the shirt sure and sure

to be applied to

Sell-as ments and

Could be have

THE RESERVE

day action the

David Comments

MAN SIESIA LITE

AND SHAPE OF THE PARTY OF THE P

Me Tom : Desc

South the same of the

The same said

The same of the same of

異なない いったい

3 3 3

TAXABLE IN THE

Germanics C.

a off the

Alles areas

This is the one part of Spain that does not go in for bullfighting, and so there is nothing to rival soccer. But Gali-cian clubs have rarely made the big time. Today the region is unique in having three teams in the Spanish first divi-

sion. Daportivo, only a penalty short of winning the league title last footballing revelation of the 1990s.

Whan ... Mr Lendoiro fook over in 1988 it. was a struggling second division side weighed down

by debt. Once Deportivo cheirman Lendoiro: the before it was toast of A Coruña and Galicie

league runner-up, in 1949-50, a memorable season when it thrashed Real Madrid 5-0, but it has spent more time out of the first division than in it.

In a way it is a hit the dream of all Galicians who never imagined they could have a champion side." Mr Lendoiro says of the club's recent success. "We could have been champions, and still could be."

Deportivo was founded in 1907 as an offshoot of a local gym, the Sala Calvet. In those days they also played cricket in the town known in English atlases as Corumna.

The club had its own 1914-18. war, when dissidents secededto form an alternative team. Deportivo F.C. Autentico. The two were eventually re-united. Then came rivalry with the newly-formed Celta club in. Vigo, bitter from the start all the Coruñeses. There's no when Deportivo poached all opposition." Celta's top players. Elsewhere in Spain, competi-

Mr Lendoiro set the club on new financial footing by turning it into a limited company in 1992. Ownership is widely spread amongst Deportivo's 26,000 members. Mr Lendoiro says 95 per cent of shareholders own three shares or

tion football was disrupted by

the Spanish civil war, but not

in this northwesteromost prov-

ince. The Rizzor ground which

the club uses today was bought

crashing in on the beach.

For Mr Lendoiro, the excite

ment generated by Deportivo's

exploits marks a hreak from the "rather apologetic" way of

thinking typi-

cal of Galicia.

The cluh's

blue-and-white

strip represents

both the town

and the Galicia

region. Like

Spain's big-city

teams, Depor-

tivo – Dépor

for short - has

its own gang of

hard-core fans,

the Riazor

The chairman, a 49-year-old lawyer, is also a leading local figure in the conservative Popular Party - in Galicia the ruling party but here in opposition to the Socialists. He and Mr Franciso Vázquez the town'a popular Socialist mayor, were once intimate friends. In school, Mr Lendoiro recalls, they shared the same desk. Has their relationship survived their political rivalry?

But he adds: "I would not exchange being chairman of the club for being mayor. In Deportive you are president of

David White

CANNERIES

Dented by the supermarkets

Everything and nothing has changed at the Bernardo Alfa-geme canning plant since it first opened for business at the port of Vigo in 1873. Machines pack, seal and label the tins but the tuna is first cleaned by hand by women poised by the conveyor belt, often a grandmother sitting between her

daughter and grand-daughter. The plant is built around an atrium and the

TOM BURNS describes offices of the the drastic restructuring ago there were of the canning industry family-run firm

stand by a dor that looks down on to the nachines, including huge pressure cookers, the conveyor belts and their attendant women on ground floor level. Taking pride in Alfageme's antiquity, Mr Ramon Calvo, the managing director, explains that he literally put his foot down when European Union inspectors suggested

that he replace the corridor's ship deck planking.
But Mr Calvo is also quietly delighted that Banco Bilbao Vizcaya (BBV), the big domestic bank, is offering to buy 40 per cent of the company in order to bring it under its expanding food and distribution umbrella. The owner of 34 per cent of the Basque canning company Garavilla, the market leader in Spain, BBV has been courting the third-ranked Alfageme business for nearly four ears and Mr Calvo says an

price is right"

Alfageme is well established and the dozens of tinned fish products that it sells, almost exclusively to the domestic name, keep it comfortably profitable on a Pta10.5bn (\$81.7m) turnover. But the canning business is changing fast, par ticularly in Galicia where it always

400 canning

near future. Mr Calvo says that the top four canning concerns in Spain, three of which are headquartered in Galicia, control less than 40 per cent of the market and that the logic is that they should share a quota of nearer 80 per cent.

enormous strength of the big distributors and the hypermarkets who now impose tough conditions on suppliers and consequently squeeze margins to the point of sending the smaller firms out of business. Galicia's canning companies have tradition and skilled know how and all the fish they need on their doorstep. But they must either evolve towards the gourmet sector with higher value products, join forces to take on the mass market or close down

The expanded Top 500.

An expanded edition of the FT survey of the Top. 500 companies is now available for £24.

The "FT European Top 500" is a permanent refer ence of Europe's higgest, most powerful companies showing how they are positioned for 1994 and beyond.

Companies are ranked by turnover and sector (including separate UK Top 500 lists), by capitalisation showing profit increases and decreases, and by number of employees. A comprehensive address list, with key executives, is also included.

For further details please apply to John White Financial Times, Number One Southwark Bridge. London SE1 9HL Fax number 071 873 3072

r Antonio Couceiro, the Galician govern-

The recent bitter dispute

Vigo, the largest fishing port accounts for close to 200,000

The Canadian row was only the latest in a series of earth tremors, brought on by depleting fish stocks and the extension of exclusion zones, that is shaking the foundations of the

plant in Vigo is "a source of pride for Galicia" as well as "a model producer" within the

lt is also, together with the large and fast-expanding A Coruña textile group Inditex. one of the few bright spots on

between the European Union by the town hall shortly before the war ended in 1939, just off the waterfront. From the grandstand, if you are not and Canada over fishing stocks of Greenland halibut highlighted the fragility of Galicia's biggest industrial sector. At enjoying the football, you can the centre of the row was one watch the Atlantic rollers of 38 deep-sea trawlers based in Vigo that togethar employ some 1,200 fishermen and provide jobs on land for a further 7,500, slightly more than the labour force at the Citroen car

> in Europe, has a fleet totalling 428 vessels, directly employing 8.500, and the town is also the headquarters of the Pescanova frozen fish giant that has a global network of subsidiaries 107 trawlers distributed around the world and a Vigo-based work force of 3,600. In all Galicia, the fishing business

> region's major income earner.

the region's industrial land-

The Citroën factory in Vigo: one of the bright spots on the industrial landscape Galicia is begining to look like a mining area in which the mineral seams are close to The Greenland halibut,

coast of Namibia in an ejection that caused 45 Vigo deep sea trawlers to be either sold or broken up for scrap.

raised its production last year

which were exported, is in con-

Mr Couceiro is currently

trast set to grow.

Declining fish stocks are starting to make Galicia look like a province whose main natural resource has been worked out

which is fished mostly by Galiterritorial waters and is exported to Japan, had become one of the trawler fleet's chief products after it was excluded from the tuna grounds off Citroën and with the Madrid administration that will pave the way for new investments of Ptal7.6 (\$140m) over the next

Car industry's progress fails to offset gloom over the fishing industry, says Tom Burns

Biggest employer is all at sea

Unlike the troubled SEAT subsidiary in Barcelona of the Volkswagen group, Citroën Hispania's plant, which dates back to the early 1960s, is a success story, not least hecause it enjoys enviable labour relations. "Citroën is very competitive here," says a senior Vigo official. "It has no complexes about being part of 282,000 units, 72 per cent of a foreign group and there isn't the slightest risk of any cut negotiating incentives with

WHERE THE JOBS HAVE GONE (000s) 396 413 443 445 434 1,042 1,044 1,029 1,018 974

HOW GALICIAN PER CAPITA INCOME COMPARES % of Sponish average % of EU average

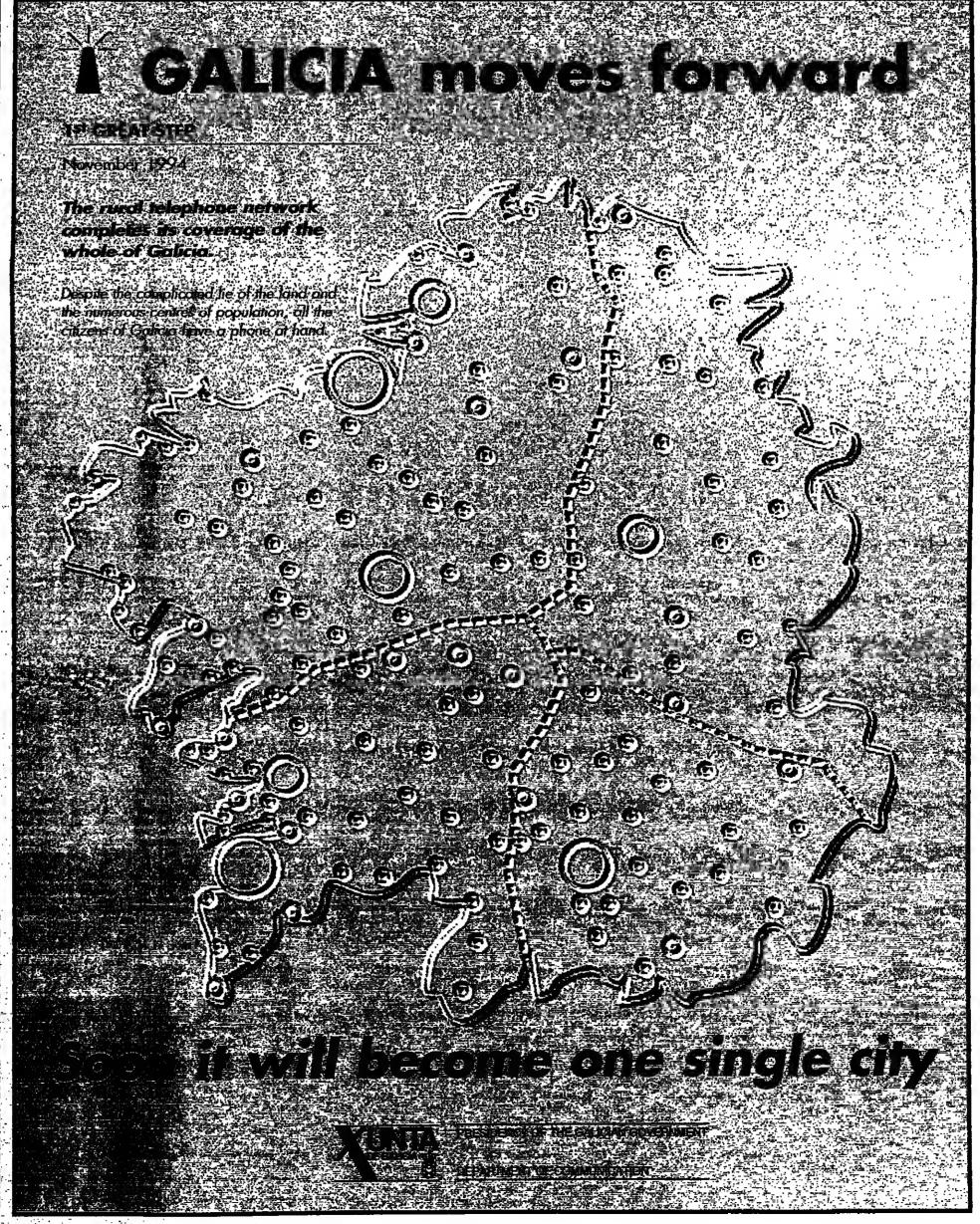
The success has created increasing talk of using Citroën as the prime mover in "cluster" of industrial busies, principally serving the auto industry, in the Vigo area. Mr Couceiro's department is at present identifying groups that could be lured into an anlarged manufacturing network based

component suppliers. The "cluster" strategy involves the close co-operation of industrial units and services with a nearby main producer. Less advanced, but also under study, are proposals to create an additional two "clusters" in

on the main car plant and its

the vicinity of Vigo, one concentrated on fishing, with Pescanova as the prime mover. and the other built around the granite sector thet uses Vigo as its main export outlet.

The long shadows cast over the fishing industry may put the second cluster on hold while an enlarged and integrated granite industry is at best a mid-term prospect. The Xunta is investing strongly in granite research to upgrade technology but Mr Couceiro concedes that "we cannot overnight move from producing primary products to having a transformation industry."



platint ofres

Tourist authority targets the thinking visitor, writes Tom Burns

A place for pilgrims

Most regional government officials in Galicia are run off their feet in order to keep up with Mr Manuel Fraga, the Xunta's remarkably energetic president. Mr Francisco Garcia-Bobadilla, Galicia's secretary-general for tourism, feels the pace

as much as any of his other colleagues Famous as an all-rounder, Mr Fraga is an acknowledged expert on tourism promotion. In the 1960s, as General Franco's minister of information and tourism, he coined the slogan "Spain is different" and brought package tourists to the Costas by

It is ironic that an older but scarcely more mellow Mr Fraga should have estab-lished his ultimate political base in an area that has escaped the charter flight invasion. A foreigner who prefers to meet the natives rather than other foreigners when on holiday in Spain would be well advised to plan on a vacation in Galicia for Mr Fraga's homeland has for generations been favoured by Spaniards for their fam-

Mr Francisco Garcia-Bobadilla, wbose family used to run a small hotel in rural Galicia, knows perfectly well that his brief is to drum up business. Tourism in Galicia represents only 4.2 per cent of the region's GDP - less than half the national average - and that is not the sort of statistic that Mr Fraga is satisfied with.

Mr Francisco Garcia-Bobadilla's department has accordingly put a high priority on improving existing facilities in a bid for quality tourism. The effort to raise standards has included a training centre, funded by the Xunta and organised by Lausanne's Ecole Hôtelière, which opened

Businesses are being encouraged to organise a host of activities from pot-holing to rafting

in Santiago last year. In a second development that is also a far cry from the high density, tower block resorts that Mr Fraga promoted 30 years ago, the regional authority is sponsoring an away-from-it-all bed and breakfast network. Mr Francisco Garcia-Bobadilla prefers visitors to come with a guide book and trekking boots rather than a bucket and spade. Galicia's boliday product comes under

the broad headline of green tourism. The Xunta bas recently given its seal of approval to 80 bed and breakfast establishments, ranging from manor houses to farm houses, which are now listed in its Turgalicia booking service and the plan is to bring the total number up to 500 over the next five years.

This strategy has the important addi-tional effect of restoring the old buildings of rural Galicia. The Xunta pays up to 50 per cent of the refurbishing costs of homes on condition that they remain open 11 months a year for the ensuing 15 years to

bed and breakfast guests.

Turgalicia regulates the aervices and standards of these establishments, provides a free booking service and guaran-tees the payment of reservations mada through the service.

Taking a leaf from Mr Fraga's book, Mr Francisco García-Bobadilla has singlemindedly encouraged dozens of small businesses to organise a host of activities from pot-holing to rafting, under Turgalida's umbrella, in some of the wildest terrain in western Europe.

As the strategy matures, the regional authority is likely to bring in as many green tourists as it wants. Galicia has after all been attracting trekkers for centuries - ever since the first pilgrims started walking to the shrine of Santiago de Compostela more than 1,000 years ago.



edral and town centre of Santiago de Compostela: a strine for plignins for more than 1,000 years

Tom Burns explores the strong regional connections with northern Portugal

Where cross border trading flourishes

relations between Lisbon and Madrid tend to dissolve in the soft Celtic beritage that is shared by north Portugal and Galicia. Seen from Oporto and from Vigo, two bustling industrial cities 150 kms from each other, cross-border trading is a welcome fact of life.

Lisbon has traditionally viewed Madrid as being over-bearing to the point of being predatory in its approach to Portugal hut attitudes are markedly different in the northwest of the Peninsula.

"The Portuguese look differ-ently on the Galicians," says Mr Francisco López Peña, chief executive of the Port of Vigo authority. "The language affinity is very important and there is a strong, mutual empathy between the two com-

several times a year to Portu-gal," says Mr Gustavo Luca de Tena, an editor at A Nossa Terra, a Vigo-based magazine and book publisher. spend weekends there and the Portuguese come here on sbop-

ping sprees."
Portuguese acquisitiveness goes well beyond Vlgo's big retail stores. Two years ago the big, partially-privatised Cimentos de Portugal (Cimpor) industrial group bought Cor-poracióo Noroeste, Galicia's largest cement producer, and last mootb Caixa Geral de Depósitos (CGD), the leading financial group in Portugal, bought Banco Simeón, a bank-ing network with 60 branches that is concentrated in southern Galicia, from Argentaria, Spain's state-controlled banking corporation.

Cimpor's 1993 purchase gets high marks from Gallcia'a

Natural Resources

Infrastructures

Human resources

it's all ready!

Come

to

Galicia

a country in which to invest

regional authorities for it has José Antonio Orza, the Xunta's been followed up by the open-economy minister. been followed up by the opening of two new production cen-tres one of which, located near Lugo, manufactures large blocks for big bridge building projects. "Cimpor is investing

CGD'a acquisition in contrast has unsettled Galicia's

government and, in particular, Caixa Gallela, the region'a main savings bank which had

Come

to Galicia



Rooted to the soil: Galician mother and son tend their crop

bid for the Simeon network. Argentaria

publicly-controlled group and Simeón is virtually 100 per cent a Galician husiness and we were not informed of the disposal plans," says Mr Orza. The Xunta, and especially Caixa Galicia's ambitious chief executive Mr José Luis Méndez, bad wanted the Argentaria subsidiary to end np within the savings bank orbit as part of a general move

financial institution. In protest at Simeon's sale to Portuguese interests, the mayor of A Coruña announced that be was closing down the city's accounts in Argentaria. In contrast, CGD's takeover

to hulld up a dominant

bas won plandits in Vigo where the cross-border culture well entrenched. The acquisition was privately praised by directors of Caixa de Vigo, the local savings bank which is fearful of the Caixa Galicia's growth, and, much to the irritation of the Xunta, publicly endorsed by Vigo's mayor. Vigo boldly

You can now travel south from Santiago de Com-postela on a splendid. curving and little used toll makes a continuous single motorway from A Coruña in the north of the region to Vigo in the south. The trouble is that it still does not connect with motorways leading any-

Galicia is one of the last parts of Spain not linked by fast modern road to Madrio or the rest of Europe. The regional government, the Xunta, bas been fighting to overcome the legacy of long

styles itself as the industrial hub of an are that embraces aonthern Galicia and north Portugal and the presence of Portugal's largest banking group in the Vigo vicinity further fuels the town's wider

The cross-border economic mix is likely to grow in the light engineering industries and particularly in the automotive components sector, labour in Portugal, together with a scarce and expensive force. skilled work complements the labour market in the Vigo area where the trend bas long been

towards greater specialisation. The ports of Vigo and Oporto both stand to gain by sharing their respective container freight businesses. Vigo is seeking to re-route its container traffic to the US and the Far East from Bilbao and Barcelona to Oporto. Already the sixtb largest container port in Spain, it is expecting to build up its own capacity with increased trade from Portugal

ASTURIAS

INFRASTRUCTURE

A lot of loose ends

geographically and economically isolated. But, in spite of beavy investment and vebement lobbying, the battle is not

The roads are probably the most symbolic aspect of this regional predicament. Spain's new network of motorwaystandard state highways, or autovias, stops half way from Madrid to Galicia's main towns. The remaining 300km are hard driving. Two autovia branches are promised, one to the north through Lugo to Corunna, the other south

through Ourense to Vigo. They were due to be ready for next year, but the completion date is now in some doubt because of cuts in central government spending, which principally affect public works. Contracts have been placed for most of the 640km to be built, but not all.

The oew roads will not only give the region an outlet but also connect the backward rural interior with the richer and more populous coastal region. The coastal motorway will in turn connect with the

Portuguese motorway running north from Lisbon. Ecologist groups oppose the Pta444bn project because of its potential impact on wildlife including one of western Europe's last remaining wolf populations. But there can be no doubt that most Galicians would be outraged if they failed to materialise.

With railways, the situation is worse. Galicia has a network of just over 1,000km, but services are notoriously slow and infrequent, the equipment run-down and obsolete. The state company Renfe has been cutting back on loss-making local lines. In stark contrast to the new high-speed trains con-necting Madrid with Andalu-cia, railways here are a con-

stant gripe.

Big investment programmes have tackled other outstanding infrastructure needs, bringing Galicia up to date, notably in rural electrification and telephone services, the latter a marked personal triumph for Mr Manuel Fraga, the regional president. A Pta45bn pro-gramme agreed with tha telecommunications group Telefónica in 1992: partly financed by the Xunta, has brought some 100,000 new lines, meet

ing demand in the dispersed villages and hamlets throughcontent, has earned the nickname "Technology Parking Lot". Eyebrows have also been out the interior and increasing the proportion of digital lines.

The region also claims to have the best television and radio signal coverage in Spain. The main towns and industrial areas are meanwhile due to be connected to the natural

gas supply network by the end of next year. Galicia's five big ports come under central government aus-pices, but the Xunta is seeking to transfer administrative

ne of Gallcia's most ambitious programmes involves a proliferation of business parks, of which some 95 were envisaged at the beginning of the decade, when Spain was still enjoying something of an economic boom. The Xunta is now rethinking this plan, although its industry chief Mr Antonio Couceiro says he remains "a defender of the spirit of the programme".

Some of the projects have come in for criticism. A new Technology Park outside Ourense, designed to attract

raised by the sitting of a business park at the small interior town of Latin, which happens to be the political home base of the Xunta's territorial administration and public works department and a candidate for the succession as regional pres

David White

DEETA EXCHANG

Have your FT hand delivered in Spain.

Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day. Hand delivery services are available for all subscribers who work or

live in the business centres of Barcelona, Bilbao, Madrid, Sevillaand Valancia. asse call us in Madrid on 337 00 61 for more information.

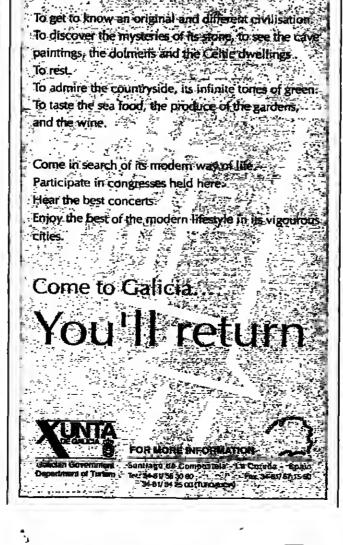
Financial Times. World Business Newspaper.



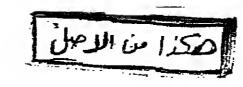
San Caetano - 15771 SANTIAGO DE COMPOSTELA

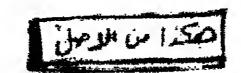
HEAD OFFICE OF COMERCE Tel.: (34-81) 54 55 90 / 54 55 91 Fax: (34-81) 54 55 41

HEAO OFFICE OF INDUSTRY Tel : (34-81) 54 45 78 Fax: (34-81) 54 55 15









COMMODITIES AND AGRICULTURE

Platinum prices surge to fresh 4½-year highs

Mining Correspondent

FLESDAY APRIL

Platinum prices reached fresh 4%-year peaks yesterday as the precious metals revival, sparked by last week's cut in Germany's Bundesbank discount rates, continued. In London, platinum closed yesterday at US\$442 a troy ounce: adding \$7.75 to last

Analysts suggested technical factors were driving precious metals prices up and dealers said some Japanese buying of platinum was seen yesterday. it was also pointed out that

week'a \$17.75 increase.

industrial metal than a pre-cious one, was likely to benefit from a potentially expansionary round of interest rate cuts in the industrialised countries as they fought to bring stability to the US dollar.

In its recent interim report on the market, Johnson Matt-hey, the world's biggest platinum group metals trading organisation, suggested that platinum demand last yaar rose by 7 per cent to a new peak of 4.32m ounces, driven up by the requirements of producers of anti-pollution car exhaust catalysts and jewellery manufacturers.

producer after Sonth Africa. was taking advantage of the strong demand and its sales were likely to bave jumped by 17 per cent from the 1993 level to about 800,000 ounces. Russia could sustain these levels of exports only by drawing from its stocks, JM

Gold's price, which last week increased by \$9.75 a troy ounce after Thursday's Bundesbank rate changes, was virtually unchanged from Friday and closed in London at \$391.90. Silver gained another 3 cents an ounce to close at

Global copper supply deficit 'nearly over'

By Kenneth Gooding

Growth in copper consumption in countries outside the former eastern bloc is likely to be between 2.5 and 8 per cent in 1995 and next year. And with refined copper production now growing at 6 to 7 per cent annually, "the supply deficit is naarly over", according to the Bloomsbury Minerals Economics consultancy organisa-

The steep fall in copper stocks may have only one more quarter to run, says Mr Peter Hollands in Bloomsbury's Copper Briefing Service newsletter.

A \$1m effort to reduce pesticide use was launched last

week after the World Bank

announced a \$500,000 contribu-

tion. The integrated pest man-

agement facility will receive a furthar \$500,000 from the UN's

Food and Agriculture Organi-

sation as well as support from

the UN Development Fund and UN Environment Programme

The facility will fund pro-

jects to support low-chemical

use and participatory approaches to pest manage-

ment with the aim of cutting

excessive and costly pesticide

use, which poses a threat both

to human health and to the

He warns, however, that London and New York metal exchanges will fall sharply in the second quarter of 1995, probably to between 150,000 and 175,000 tonnes. "in the short term - until early June -London Metal Exchange prices seem unlikely to fall below the recent flow of \$1,27-\$1.28 a pound, but very likely to head back towards the high level seen in January. New York

become very volatile over the next few months." Producers are likely to take advantage of price rallies and

encourages natural predators

and makes use of resistant varieties and crop rotation,

backed by carefully timed,

selective spraying of pesticides

if necessary. Chemical pesti-

cides are still used, but less

often and in smaller amounts.

Farmers need to be well

"Although we've had some

trained and to receive plenty of

technical and policy support to use IPM according to the

breakthroughs with integrated

pest management, such as on

rice in Asia, the realisation of

IPM programmes at the farmer

level has been too slow," says

Mr Ismail Serageldin, tha bank's vice president for envi-ronmentally sustainable devel-

Commodity Exchange atocks

are so low that US prices could

sell forward as "this may be 20 per cent of operating costs. their last chance to lock in high prices.

Bloomshury suggests prices will weaken appreciably on both exchanges from late June to September.

 Some of the high-cost Japanese copper smelters, which account for 15 per cent of world smelting capacity, may be forced to close because of the global glut of sulphuric acid, the CRU International consultancy organisation suggests today.

At present the Japanese smelters enjoy sulphuric acid credits worth about 4 cents per pound of copper, equivalent to

World Bank and UN back pest management plan

effectively draw on local,

national and international

expertise, knowladge and

resources to get the quick

response we need to promote

sustainable agriculture in the

The facility goes part of the

way to meeting the so-called

pogrest countries."

But import restrictions that have kept sulphuric acid prices in Japan artificially high are likely to come under pressure says CRU. "This will add to the squeeze on domestic smelters' revenues at the same time as the dnties of refined copper imported into Japan are reduced following the comple-

trade agreement. High cost smelters could, therefore, be forced to close and, if they want to stay in business, Japanese smelter companies will have to consider moving their operations off-shore."

CRU suggests that, in less-in-

Network and will involve non-

governmental organisations active in the field.

high priority, pilot projects

where IPM based on ecological

means of pest control is likely

to produce immediate, substan-

tial and quantifiable benefits.

Initially, funding will go to

tion of the Uruguay Round

dustrialised parts of the world surplus sulphuric acid is less of a problem. In Chile, for example, not enough acid is produced to satisfy rizing requirements from plants treating mined copper using hydrometallurgical processes.

Copper Briefing Service, £185 or US\$295 for three months, from Bloomsbury Minerals Economics, 70 Marchmont Street. London WCIN LAB, UK. "Copper Smelter and Refinery Costs," and "The five-year outlook for Sulphuric Acid," £9,200 and £3,950 respectively from CRU, 31 Mount Pleasant, London WC1X DAD IJK

Zimbabwe set to become second-biggest producer

pany, has the rest.

By Kenneth Gooding .

The way is now clear for Zimbabwe to become the world's second largest producer of platinum following deals between three of the world's biggest mining companies: Broken Hill Proprietary. Anglo American Corporation of South Africa, and the RTZ

Corporation. BHP, the diversified metals and energy group that is Australia's biggest company, now controls all of the so-called Great Dyke in Zimbabwe, which is geologically similar to the Bushveld Complex in South Africa, the world's largest repository of platinum group metals.

The Australian group's deci-sion to go ahead with the US\$225m development of the Hartley platinum mine on the

Great Dyke, was announced with great fanfares last August. BHP owns 67 per cent of the Hartley project and Delta Gold, an Australian com-

BHP is now also acquiring most of the Mhondoro joint venture, adjacent to Hartley on the Great Dyke. Delta owns 24 per cent of Mhondoro and its partners were Anglo American. South Africa's biggest group, and RTZ Zimbabwe, a local company 56 per cent owned by RTZ, the world's biggest mining group. Anglo sold its 38 per cent stake to RTZ last year for an undisclosed sum. BHP has now agreed to pay US\$19m for that bolding and a further \$19m for the 38 per cent owned by RT2 Zimbabwe.

Mr Peter Vanderspuy, Delta's chairman, who has long dreamed about merging the

Great Dyka platioum proper ties, believes the region could aupport annual output of 600,000 troy ounces of platinum, or about 12 per cent of global output. However, this would necessarily be staged

over a 10- to 15-year period. Hartley alone will produce about 150,000 ounces a year whan in full production in 1997, adding about 3 per cent to

world supply.

Mr Lee Clifford, the RTZ executive director responsible for mining, said his group was selling the Mhondoro stake because "there is scope for only one major development there." Mr Gillespie Robertson, BHP's senior vice president, Africa, Mideast and Europe, said Mhondoro was being acquired "with a view to the long-term development of the Hartley project".

Bigger world cotton crop forecast next season

Global cotton production in in 1994-95, the International Washington. Demand for

BASE METALS

Section .

秦子 3

And Andrews

Dave.

1995-96 is projected at 19.32m. Cotton. Advisory Committee 1995-96 is pegged at 19.2m tonnes, compared with 18.83m. says, reports Reuters from tonnes, up from 18.63m.

Metals end on positive note

London Metal Exchange base metal markets ended on a positive note, although trading was

over three months moved out threateningly above \$60 a tonne at one stage as the mar-ket positioned itself for key

supply tightness as the cash/ three months discount narrowed in to around \$35 from near \$50 last week.

At the London Commodity Exchange, COCOA futures prices were down around intraday lows at the close as arbitrage selling cut earlier gains. The July position last traded down \$6 at £951 a topne after ranging from £950 to £965. Compiled from Reuters

Agenda 21 agreed at the Rio de Current proposals include pro-Janeiro "Earth Summit" in jects involving rice in Madagascar: vegetables in west Africa, Trinidad, Vietnam and Zimbabwe: and cotton in

Australians hope for coal deal

1992. That called for putting IPM practices within reach of farmers through farm networks extension services and China. research institutions. A target In east Africa, fungicides and date of 1999 was set for its insecticides are often over-used on vegetables and occasionally

The facility bas been fruit crops grown under or designed in consultation with near coffee. By using non-forvarious non-government organ-isations, including the Califmal education methods with farmers in IPM this over-use

cash crop as well. One project will promote this change to IPM and will involve non-governmental organisations operating at village level, such as the Kenya Institute of Organic Farming, which has experience

in participatory training meth-

The facility will focus on field-based action but will be front by the 16 international centres supported by the Consultative Group on International Agricultural Research. of which Mr Serageldin is also chairman. The centres are sponsoring an international network of institutions with

MARKET REPORT

environment.

COPPER's cash premium April traded option declarations tomorrow. The TIN market was also

underpinned by developing

SOFTS

E COCOA LCE (Externe

By Nikki Tait In Sydney A fifth round of negotiations

getting nearer.

between the Australian coal companies and the Japanese steel mills over the 1995-96 supply contracts, began yesterday in Toyko, with some very cautious optimism on the Austra-lian side that a deal could be The Australian suppliers are

seeking a price rise of close to

US\$6 a tonne, which would Japanese have led to succesequate to about a 12 per cent increase, while the Japanese are thought to have been reluctant to go above US\$4 a

The producers have argued that such an increase is warranted by better market conditions, and some increased settlements in Europe.

JOTTER PAD

Contract negotiations between the Australians and sively lower prices for the past four years, and when the coal producers agreed to take another cut last year, angry miners imposed work stoppages in protest - leading on to a government-backed inquiry into the sector and its export performance. Coal is Australia's biggest export, with around 40 per cent going to

COMMODITIES PRICES

LONDON METAL EXCHANGE

	Cont	: amtha :
Close	1863-4	1872-3
Previous	1868-9	1872-3
	382.5/1862	1687/1850
AM Official	1861-2	1870-1
Kinth close		1886-7
Open Int.	216,587	
Total daily turnover -	50,777	
M ALLAMINEUM ALLOY	(5 per tonn	9
Close	1825-35	1820-30
Previous	1835-45	1830-40
lightlow		1835
AM Official	1825-35	1825-30
Kerb close		1820-8
Open int	2,781	
Total daily turnover	810.	•
E LEAD (5 per tonne)		
Close	594.5-6.6	608-8.5
Previous	- 590-1	· 605-6
HighNow		612/806
AM Official	594-5	607-8

Karb close M NICKEL (5-per tonne) 7730-6 7740-50 Kerb block Open int. Total daily turns III .TIN (\$ per torms) 5790-800

19:924 1036-6.5 W. COPPER, grade A S per tonne 2968-9 2984-5

Sport 6158 3 mmer. 6145 6 mmer. 6116 0 mmer. 6085 914

+1.40 135.40 135.40 +1.55 133.60 132.10 +1.55 133.00 132.10 7.270 +1.55 +1.55 129.40 128.50 3.583 PRECIOUS METALS

M LONDON BULLION MARKET (Prices supplied by N M Rothschild) \$ price 391.70-392.10 391.80-352.20 392.25 242.459 441.909 392.30 242.340 440.671 393.50-393.80 Day's High 393.50-393.80 Day's Low 391.20-391.60 Previous close 391.50-392.00

tes (Vs US\$) um Gold Lendina Loco Ldn M 12 months 4.70 337.15 350.70 563.40

Precious' Metals continued GOLD COMEX (100 Troy 02; \$/troy 02) 392.7 +0.5 394.6 392.5 1,193 7,678 393.8 +0.6 397.2 394.3 83,918.108,141 396.2 +0.6 490.2 398.2 19,781 3,163 401.6 +0.7 -5,784 78 II PLATINUM NYMEX (50 Troy oz.; \$/troy oz.)

+2.9 444.0 438.0 628 +2.8 450.0 443.2 18,992 +2.9 450.0 447.5 ·2.461 +2.8 454.5 453.0 726 Apr Jai W PALLADIUM NYMEX (100 Troy oz.; S/troy oz.) 175.30 -0.50 178.00 173.25 6.666 H SILVER COMEX (100 Tray oz.; Cents/tray oz.) 20

> ENERGY E CRUDE OIL NYMEX (42,000 US galls. \$/barrel) 1060-2 1062-3 1065/1055 17.28 49.793 17.04 40,935 11,939 18.86 15,330 1,185 18.76 12,207 454 18.73 6,255 156 16.77 3,889 83 148,320 38,471 W HEATENG OIL HYNEX (42,000 US galls; o'US galls.)

> > -0.10 47.75 -0.13 48.10 47,45 34,508 47,90 17,711 -2.50 155.00 152.25 25.850 -1.75 153.00 150.75 24,139 -1.76 153.00 150.75 24,139 -1.75 152.00 150.00 16,544 -1.75 152.50 151.00 8,880 -0.75 154.00 152.50 2,669 -1.00 155.50 154.25 3,000 151.00 618 355 250 1,685 29,658 1,750 15,195 1,785 15,518 1.710 -1.773 1.800

1.795 +0.011 1.800 1.735 15,518 1.795 1.805 1.786 13,002 1.735 -0.005 1.810 1.800 13,200 1,825 9,442 -0.005 1.630 57.00 25.026 57.00 12.433 56.55 - 8.675 58.05 58.00 5,352

116.00 +0.90 116.25 115.50 1,868 .116.55 +0.90 117.25 118.40 502 102.35 +0.50 5 332 103.50 +0.85 105.50 103.25 2,489 105.50 +0.85 105.50 105.40 800 +2/4 347/9 340/4 18,741 3,836 +1/4 341/0 387/4 24,919 8,400 +1/4 347/2 344/0 4,158 944 +1/6 358/6 355/4 2,854 445 50,857 13,758 HAZE CBT (5,000 by mirr cents/56% bushel) +3/2 25/40 249/6 161,887 19,899 +3/4 289/0 258/4 113,155 13,896 +3/6 289/4 258/2 21,018 2,039 +3/6 289/5 281/4 9,787 17,939 +3/2 271/2 257/4 9,785 1,309 9,788 538 348,460 BARLEY LCE (E per +0.75 +0.90 +0.56 135 533 184 105 1,061 102.25 +872 583/0 +970 594/0 +874 596/0 +976 600/2 +674 908/4 +670 615/4 5734 38,305 584/2 49,181 7,365 741 4,112 359 5 29,338 5,581 0 2,028 71 133,367 35,363 -0.10 25.70 25.50 28.284 10.122 -0.07 25.40 25.15 22.089 8,103 -0.02 25.30 25.10 8,211 488 0 35.25 25.00 7,718 278 -0.01 25.10 24.95 6,865 388 25.00 7,018 24.95 6,865 24.70 13,432 1725 +5.1 1728 187.1 32,544 5,394 176.9 +5.1 177.0 177.7 90,668 4,847 178.8 +5.0 178.0 172.8 7,971 761 180.5 +5.0 180.5 176.3 5,581 768 187.5 +4.2 187.5 177.0 9,025 374 183.5 +3.8 184.0 179.5 12,544 1,242 POTATOES LCE (Extenne) 258 157 285.5 +0.5 300.0 298.0 335.5 -7.5 340.0 335.0 250.0 - - -2128 2069 1940 1880 1860 1865 1,064 982 325

GRAINS AND OIL SEEDS

WHEAT LCE (E per torme)

Tes
There was good demand, reports the Tes Broters' Association. Bright liquiding east Africans
sold well at fully firm to desire rates but bright mediums were often 4 to 5 pence easie. Coloury mediums were a good feature an prices gained 2 to 4 pence. The small selectio of Ceylons on offer remained from Offshore Ceytons advanced while Africans were unchanged. Quotations: best available 160p/4g. good 128p/4g, good medium 10p/4g, medium 84p/4g. The highest prior

948 931 19,369 921 986 950 17,760 686 978 986 15,827 591 997 985 18,857 274 832 851 867 1011 1005 28,415 1328 1349 1372 1402 1423 1448 1304 31,257 5,811 1328 15,344 1,519 0,412 6,234 5,874 4,702 E COCOA (CCO) (SDR's/tonne 3085 13,895 3015 10,555 2973 8,477 2850 1,582 2936 284 3084 3025 2986 2953 2942 2923 COFFEE 'C' CSCE (37,500lbs; cents/lbs) 165.45 -0.85 167.05 164.60 13,082 4,349 186.95 -1.10 168.60 168.60 16,063 1,766 167.60 -1.25 169.00 167.50 8,062 656 168.00 -1.00 169.25 168.00 5,695 60 167.75 -1.25 169.10 168.50 1,606 11 May Jul Sop Dec May Total E COFFEE (CO) (US cents/pound) MOT PREMIUM RAW SUGAR LCE (certs/be) -0.07 373.3 -1,0 378.5 373.0 10,158 1
381.7 -0.5 383.8 361.1 8,357
331.5 -0.3 333.0 332.0 3,604
332.5 +0.2 332.0 322.0 1,136
377.7 -0.5 318.2 317.2 729
216.3 -1.1 - 238 # SUGAR '51' CSCE (112,000be; cents/bs) -0.03 12.84 12.28 35.032 1.535 E COTTON NYCE (50,0008s; cents/fbs) 96.22 -1.93 99.20 96.15 16,123 4,638 91.10 -2.00 94.20 91.10 17,906 3,934 91.28 -0.32 82.25 91.10 0,854 500 77.80 -0.04 77.30 78.30 2,4858 2,987 77.80 +0.13 78.45 77.70 6,859 567 +0.05 78.55 78.50 1,967 123 III ORANGE JUICE NYCE (15,000lbs; cents/fbs) 105.65 +0.40 106.40 104.50 11.515 564 171.55 +0.35 111.00 111.00 2,359 113.50 +1.10 115.50 112.00 1,745

VOLUME DATA INDICES

May Jul Any Feb Vites Total Ges Of

Brent Blend (disted Brent Blend (Mey) W.T.L (1pm eet) M OIL PRODUCTS NWE prompt delivery CIF (torms) \$159-154 Heavy Fuel Oil Nephthe Jet fuel \$97-96 \$167-168 \$173-175 \$154-156 W OTHER Gold (per troy ox) \$391.90 526.500 \$442.00 Platinum (per troy oz.) Palisdium (per troy oz.) \$172.75 144.0c 41,75c Copper (US prod.) -1.0 Leed (US prod.) Tin (Kuela Lumpur) Tin (New York) 14.29m 276.50c 124.57p 131.34p Cattle (the weight) Sheep (the weight)! \$365.0 \$375.0 Lon. day sugar (raw Lon. day sugar (wto Tate & Lyle export €340.0 Barley (Eng. feed) Maibe (US NoS Yellow 2112.75 €141.0

Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CST, NYCE, CME, CSCE and IPE Crude 08 are one

REUTERS (Base: 18/9/31=100) Mar 31 month ago 2298.1 2337.2 E CRS Futures (Base; 1967=100)

MEAT AND LIVESTOCK I I BUT CATTLE CASE ISO DODDAY CONTROLS 68.550 +1.200 68.650 67.550 27.984 8.015 87.850 +0.850 63.200 B1.850 25.399

38.ASC +0.875 58.800 37.800 4,715 44.300 +1.350 44.400 42.975 12,363 43,850 +1,125 43,925 43,025 4,664

LONDON TRADED OPTIONS Strike price \$ tonne COPPER (Grade A) LIME Oct 63 68 112 85 67 52 COFFEE LCE 57 44 34

LONDON SPOT MARKETS

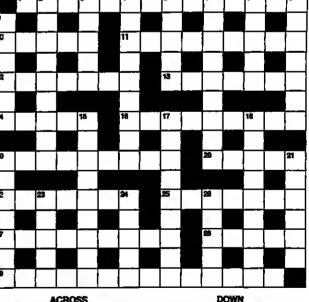
E CRUDE Oil FOB (per berrel/May)

Wheat (US Dark North £165.0 Rubber (Apr)♥ Rubber (May)♥ Rubber (KL RSS No1) 122.00p -0.5 472.5m Coconut Oil Philis \$820.0u -10.0 Pakn Oli (Meley.)§ Coore (Philis Soyabeans (US) \$412.0u +1.20

r ringgistig, m Metayetan centarius, u Apolitikay z Apr. y Mad Apr. q May W London Physical. § CIF Rotardem. § Bullion maticat cluse. § Sheep (Live weight prizes). * Change on

CROSSWORD

No.8,728 Set by QUARK



1 Not going in for spending? 2 Do mice run wild here? That's

11 Belittle training in eg trade 12 Fortune at present in India (7)

one up (7)
14 It's the distance round something (right round) (5)
16 Deliveries tried differently when worn out? (9) 19 Place for students to cross by the river (9) 20 Coarse person sending

fodder to the ducks (5) 22 Recall Cinders dancing? (7) tinctive dress (7) Company to reco

English vegetable (9) to work off (5)

29 Test colleague by way of a 19 There's craft about where

improper behaviour (9) 3 The most senior member has money to support the party 4 State in which weeds are in

evidence? (9) 5 A rounding of shoulders? Thinker may have it (5) 6 What's mature in the larder giving spectacular display?

7 Unfit in a number of exercises (5) 6 Tilted under gravity, but picked up (7) 9 Partly test a lagging in war-

time camp (6) 25 Waste time going after dis- 15 Bring hare out as a forerun 17 One depositing cones always on go? (9) 28 He could have several stones 18 This could be a play in practice (9)

> advice is sought (7) 21 Lots of water (6) 23 Defeat the supporter of bail

24 Some fumed at umpire? It's a fact (5) 26 Drink at bar endlessly to

Solution to Saturday's prize puzzle on Saturday April 16. Solution to yesterday's prize puzzle on Tuesday April 18.

Treasuries lifted by support for dollar

By Liss Bransten in New York and Graham Bowley in London

US Treasury prices were lifted yesterday morning by a Federal Reserve move to shore up the dollar and a fresh signal

that the economy is slowing.

By late morning the benchmark 30-year Treasury was up

at 1022 to yield 7.392 per
cent. At the short end of the market, tha two-year note gained & to 99%, yielding 6.727

At mid-morning, Treasury prices rose after the National Association of Purchasing Management said its index of business activity fell to 51.4 per cent last month, its lowest level since September 1993.

The figure was a decrease from the 54.5 per cent for February and well below the forecast 53.5 per cent. A reading above 50 per cent is generally considered a sign of economic expansion, while a reading below that level is considered a

sign of alowing. Considered especially impor-

Lofs cuts its

funding costs

London & Overseas Freighters,

the Bermuda-based and Lon-

from planned charters.

be delivered this year.

8.35 8.48 8.50 8.44 8.54 8.46 8.55 8.64 7.17 99년 102년 118년 108년 108년 97년 108년 117년 75ፊ

8 12 8.76 10.94 9.36 7.55 9.16 8.24 9.22 10.18 4.65

By Martin Brice

tant was a drop in the NAPM's measure of prices paid by manufacturers, because investors have interpreted jumps in that data as a sign of inflationary pressures working their way into final prices. The prices pald index

dropped to 79.4 per cent, the lowest level in six months.

Later in the morning, bonds got some support from the Federal Reserve, which intervened in the foreign exchange market to bolster the dollar.

The currency, which had been trading at historically low levels against the Japanese yen, advanced against both the yen and the D-Mark. However, although the Fed

helped the dollar off its session lows, it was still changing hands against both currencies for less than it had in late trading on Friday.

Near midday, the dollar was at Y86.20 and DM1.3725 against Y86.55 and DM1.3735. Earlier in the morning the

The World Bank brought its

long-awaited DM3hn global

eurobond yesterday, with both

dollar was a negative force on prices, which were nearly flat

By Mertin Brice

before the release of the NAPM figures. Also restraining the market was news from the Commerce Department that personal income rose by 0.5 per cent in February, slightly more

European government bonds rose yesterday, buoyed by bet-ter than expected German and

GOVERNMENT BONDS

US economic data and shrug-ging off the continued weekness of the US dollar and other currencies against the D-Mark.

■ German government bonds led the way, outperforming other markets largely on the back of data showing a 0.1 per cent fall in import prices in February.

Traders said the figure gave some justification for the Bundeshank's cut in interest rates last week but others said that bunds remain nervous

about the damage the cut has done to the central bank's antiinflation credibility.

"At least we now have some data telling us that the strong D.Mark is starting to dampen price pressures," said Ms Phyllis Reed, European bond strategist at BZW in London. A rally in US Treasuries on

the back of a fall in the US purchasing managers index added to the upward momentum in European markets in afternoon trading.

■ UK government bonds followed bunds higher, in spite of the continued weakness of the pound against the D-Mark. Traders said money supply

figures, showing an annual rise in M0 in March of 7.0 per cent, were slightly higher than expected, although the weaker trend in notes and coins provided a fillip.

A rise in the price compo-

nent of the UK purchasing managers index was largely expected, and provided no jus-tification for a tightening of

NEW INTERNATIONAL BOND ISSUES

100.00R

Banks offer repo in World Bank global

7.25

monetary policy when the Bank of England and the Treasury meet tomorrow, dealers

The weakness of the domestic economy is still tying the Bank's hands on interest rates," said Mr Robert Thomas. bond strategist at NatWest

■ French government bonds moved ahead with Germany, although the yield spread over hunds widened to 73 basis points. Italian govarnment bonds fell back as the lira slipped further against the

■ The rises in Europe followed strong overnight gains in the Japanese government bond market on the back of the continued strength of the yen.

"Investors see a strong yen hitting exports, which in turn will hit the stock market with a resulting flight to quality into JGBs," said Mr Garry Jones, senior bond strategist at Paribas.

Elsewhere, such action as

there was in the market had a

Germanic flavour. The Council

of Europe brought a DM150m

deal via UBS; J.P. Morgan and

Commerzbank handled a high-

ly-structured D-Mark deal for

Gems; and NordDeutsche Lan-

desbank raised \$250m with a

FT-ACTUARIES FIXED INTEREST INDICES

Mon Day's Fit Accrued

deal via Goldman Sachs.

Cadbury plans US preference share issue

By Antonia Sharpe

Cadbury Schweppes, the UK confectionery and soft drinks group, yesterday went to the US preference share market to refinance part of the bank borrowings it took out to fund its \$2.5bn acquisition of the Dr Pepper/7-Up companies.

the bid for the US soft drinks group in January, it said it would raise £570m in new

The company said that it also planned to finance the ase with a rights issue to raise £395m and an underwritten enhanced scrip dividend which would improve its eashflow by up to £111m. Yesterday, Cadbury said the proceeds from its \$400m offer-

ing of perpetual fixed-rate

preference shares would refinance about £200m of its bank borrowings. The shares, which are expected to be priced later this week, are likely to pay a dividend of about 8% per cent. The US has a well-estab-lished market in preference shares, which are a cross between between debt and equity. Although the investor receives a dividend, the

From the issuer's standpoint, preference shares are a cost-effective way of raising core capital because of the tax deductions which can be made

product tends to trade like a

on the dividend payments.
Officials at Merrill Lynch, which arranged Cadbury's offering together with Goldman Sachs, said that the deal provided badly-needed supply in the US preference share

There has been little issuance this year and the market is flush with cash following IBM's success in buying back about \$836m worth of its pref-

Secured finance for German bank

By Richard Lapper

J. P. Morgan has announced an innovative deal allowing Germany's third largest mortgage bank to raise secured finance against a section of its mortgage portfolio. Gems German Mortgage

Securities, a new Utrecht -based financing vehicle, issued DM380m of five-year and DM142.6m of 10-year notes to finance the acquisition of residential and commercial property loans from Rhein-ische Hypothekenbank, the Frankfurt-based bank largely

owned by Commerzbank.
Mr Alexander Justham,
vice president at Morgan, said the financing will complement rather than compete with the bank's financing through Prandbriefe

gage-backed bonds. German mortgage banks are allowed to raise a maximum of 60 per cent of the value of the properties on which they

extend mortgages from the Pfandbriefe market.

ische to finance the difference between the amount raised through Plandbriefe and the value of the extended mort-gages. The loan portfolio bought by Gems consists of the subordinated portions of more than 7,000 real estate loans. Mr Justham said Morgan had WALETS REPOR

not tried to "replicate a full securitisation of mortgage assets. This is a comple tary financing of a jumor portion of the loans."

Although securitisation of mortgage and other consumer loans is common in the US market and is growing in the UK, the German authorities have been reluctant to accept it on the grounds that it dilutes the quality of the assets and weakens the link between lender and borrower

The issue consists of two sets of notes: DM380m in series A-1 notes due 2000 and DM142.6m dne 2005 in series A-2 notes: The A-1 notes, rated Asa by Moody's Investor Services, are the first publicly traded eurofandbriefe market. bonds secured by German The deal will allow Rhem mortgage assets, said Morgan.

Japan topped JP Morgan league table in March

By Antonia Sharpe

Japan was the best-performing government bond market last.; minus 2.21 per cent respecmonth, with a local currency return of 4.48 per cent, according to figures compiled by J.P. Morgan. The rally was supported by a strong yen, a cut in the overnight money market rate and signs that the economy was slowing down.

The strong showing in March also put Japan ahead on a three and 12-month view, generating returns of 6.41 and 6.9 per cent respectively. In dollar terms, it recorded areturn of 16.88 per cent.

Europe's high-yielding mar-kets - Spain, Italy and Sweden

- produced the worst returns last month, of minus 0.31 per cent minus 0.75 per cent and tively. The negativa returns reflected currency volatility, continued political turnoil and fears of inflation in those markets.

J.P. Morgan noted that interest rate cuts in Germany, Belgium and the Netherlands, and a flight to quality by investors; caused a severe steepening in their respective yield curves. The German five to 10-year spread now stands at around 85 basis points, the widest in Europe, with Dutch and Belglan five to 10-year spreads at about 70 basis points.

12

WITE CROSS RAY

lead managers reporting that it don-quoted shipping company, has cut its funding costs with a was oversubscribed. The 10-year deal will be Mitsubishi Tat. & Bk. Corpts \$120m syndicated loan, underwritten by Chase Manhattan. priced today at 14 basis points D-MARKS Apr.2005 Apr.2000 Apr.2005 May.1989 99.485R 100.50R 100.39R Interest on the eight-year loan will be payable at 100 over the comparable Treasury bond. Demand was said to 142.8 7.420 6.375 basis points over the London interbank offered rate or 112 INTERNATIONAL basis points over Libor, BONDS depending on the proportion of the loan secured on cash flow have come 15 per cent from the first time institutions have Six institutions have told the World Bank they are commit-ted to a repo market in the Asia, 30 per cent from North The loan will replace existcommitted themselves to a ing debt, some at 136 basis America, and 55 per cent from repo in a eurobond issue. A repo market enables invesissue. They are CS First Bospoints over Libor, and finance The deal is notable for the tors and traders to borrow and ton, Deutsche Bank, Goldman instalments on two vessels to first commitment by banks to Sachs, Merrill Lynch, Morgan lend bonds through so-called Two-thirds of the principal create a repurchase (or repo) sale and repurchase agree-Stanley and SBC. They will ments. The increased liquidity quote a bid/offer spread on a will be repaid over eight years. market in a eurobond Issue.

end of th		payabl d.	e at th				common in but this is		the bon investor		e attrac			n, starti efter sett	ng abour lement.
WORL	D BOR	DAPAI	CES!	1000		1882 P. S.		1775	Sale No.		trib.		540	- 25-	
BENCH					NDS			W BUND	FUTURES	OPTIONS	(LIFFE) DA	1250,000 pc	sints of 100	%	
			Rad		Day's		veek Month	Strike			ALLS			- PUTS -	
		Caupon	Dete	Price	change		ago ago	Price	May	Jun	Jul		May Ju		Sep
Australia Austria		9.000 7,500	09/04 01/05	94,5600 100,4100	-0.410 +0.210		.42 7.68	9250	0.74	0.76	0.84 0.71		1.32 0.6 1.54 0.8		1,28 1,55
Belglum		6.500	03/06	90,2800	+0.870	7,95 8	.08 8.31	8300	0.26	0.54	0.53		1.1	2 1.62	1.85
Canada		9.000	12/04	101,3000	+0,800		.81 8.83 .89 8.92	Est, wal to	real, Cubs 163	09 Puls 730	S., Previous	chy's open in	rt., Casa 137	482 Purs 125	871
Denmark France	HTAN	7.00 O 8.000	12/04 05/98	88,2500 101,0900	+0.350 +0.050		60 7.27	Italy							
	OAT	7.500	04/05	97.7900	+0.640		.89 8.08		MAL TTALL	AN GOVE	BOND (8	па впін	HERE		
Garmeny Bu Ireland	ind	7.375 6.250	01/05 10/04	101,8700 82,5500	+0.870		.18 7.45 .81 8.80		Lira 200n				-		
Italy		9.500	01/05	80.2500	-0.660	13.15 12	98 12,26		Open	Sett pric	o Chang	1 High	Low	Est. vol	Open Int.
Jupan	No 119 No 174	4.600 4.600	06/99	107,9040 108,5410	+0,128		L11 3.80 L89 4.51	Jun	93.60	93.28	-0.19	33.75	92,96	26810	46181
Netherlarvis	140 114	7.750	03/05	103,3600	+0.660		32 7.58	Sep		92.63	-0.19		•	0	137
Portugal		11.875	02/05	98.6500			.13 11.65	= MALA	M GOAL B	OND (BT)) FUTURE	S OPTIONS	(LIFFE) Lie	1200m 100	hs of 100%
Spáin Sweden		8.000	02/05	87.3600 57.9150			.36 11,67 .23 10.76	Strike			ALLS -			- PUTS -	
JK GIES		6.000	08/99	91-26	+8/32	8.29 8	.33 6.59	Phoe		Jun	Se	•	Jun		Sep
		9.000	12/05 10/08	100-17 104-15	+18/32		45 8.65 45 8.64	9350 9350		1.83 1.66	2.5		1.55 1.78		2.95 3.22
IS Treesury	•	7.500	02/05	102-17	+23/32	7.14 7.	.07 7.41	9400		1.31	2.1		203		3.51
COLL COMM.	Com	7.625	02/25	102-26	+32/32		.37 7.80	Die wal to	Ani, Calls 197	9 Puls 1308	Previous d	ph,a obau par	L Calls 4165		
ECU (French London closing		6.000	04/04	85.6000	+0.560		.37 8.53 market standerd.	0-1							
Gross Anche	ding withha	iding to at	12.5 per e	one pavable b		terms		Spain	MAI	WILL SALE					
Hoet: US. UK	in 33rds. c	others in de-	Shuff,				MMS international	HOTK	HAL SPAN						
JS INTE	REST	RATE	2						Open	Sett pric		_	Low	Est. vol.	Open Int.
		10016			ma.			JUIT	81.80	61.82	+0.15	82.02	81.41	32,730	50,521
reschena						Bond Yields		UK							
dine tale		9 Tw	Minorii (2)		5.83 Ter	d Ace. ——	5.79 5.90		MAL UK G	LT FILM	TES OFFI	° 250.000 °	Ends of the	0%	
rojen jostu tapa		21 ⁵ 10	ree month		5.86 Flv	1050	7.05 7.18	- 1,00.10			-		Low		Open int.
difunds at ink	orvention	5₁ De	d Man.			Tear.	7.42	h	Open 102-30	Sett pric 103-14	+0-19	103-20	102-22	Est. vol 29483	•
								Jun Sep	102-30	103-04	+0-18	102-18	102-19	5	84343 100
									GILT FUTU						
								Strike		C	NLS			PUT8 -	
								Price	May	Jun	Jul		May Ju		Sap
SOND F	JTUR	es an	D OP	TIONS				103	1-01	1-31			-37 1-0		1-60
								104 105	0-33 0-14	0-62 0-38			-05 1-3 -50 Z-1		2-31
									cal, Cath 150					0 2-43 Pus 45582	3-06
гапсе												.,,			
NOTION	AL FRENC	H BONO	FUTURE	(MATIF) FE	1500,000			Ecu							
	Open	Sett price	Chang	e High	Low	Est. v	ol. Open Int.	ECU 8	KOND FUTU	FRES PMAT	1F) ECU100	1,000		_	
un	112.56	113.06	+0.62		112.4				Open	Sett price	e Change	High	Low	Est vol	Open Int.
			+0.66		112.0			Jun	82.30	82.74	+0.54	82.78	82.26	3,535	7,837
	112.00	112.52			111,9	0 2	1,058								
lec	111,80	112.42	+0.66 OPTION												
LONG TE	111,80	112.42 ICH BON	OPTIO												
ec LONG TE Trike	111,80 FRM FREN	112.42 ICH BON	OPTION	NS (MATIF)	Apr	- PUTS	Sen	US							
lec I LONG TE Trike Trice	111,80	112.42 ICH BON	LLS		Apr 0.25	Jun	Sep		EASURY B						
lec I LONG TE Trike Hos 11 12	111,80 FRM FREN Apr 1,48	112.42 ICH BON 	OPTION	NS (MATIF)	Apr 0.25 0.45		Sep 1.53	US TR	Open	Latest	Change	High	Low	Est vol	Open Int.
lec I LONG TE trike Hos 11 12 73	111,80 PRM FREN Apr - 1,49 0,83	112.42 ICH BONI ——— CA 2 1 1.	D OPTION LU.S Un .46 .71	Sep 2.04	0.25	Jun 0.45	-	US TR	Open 193-25	Latest 103-30	Change +0-01	194-01	Low 103-23		329,202
Dec I LONG TE Strike Price 11 12 73 14	111,80 FRM FREN Apr 1.49 0.83 0.39	112.42 NCH BONI 	OPTION U.S Un .46 .71 .08	Sep 2.04	0.25 0.45	Jun 0.45 0.69	-	Jun Sep	Open	Latest 103-30 103-18	+0-02 +0-02	High	Low	Est vol. 364,327 1,75?	329,202 17,367
Dec LONG TE Strike 11 12 13 14	111,80 FRM FREN Apr 1,48 0,83 0,39 0,15	112.42 ICH BONI	O OPTION US UN 46 .71 .08 .52 .31	Sep 2.04 1.04 0.89	0.25 0.45 0.80	Jun 0.45 0.69 1.13	1.53	US TR	Open 193-25	Latest 103-30	+0-02 +0-02	194-01	Low 103-23	Est vol	329,202
Dec LONG TE Strike 11 12 13 14	111,80 FRM FREN Apr 1,48 0,83 0,39 0,15	112.42 ICH BONI	O OPTION US UN 46 .71 .08 .52 .31	Sep 2.04	0.25 0.45 0.80	Jun 0.45 0.69 1.13	1.53	Jun Sep Dec	Open 193-25 103-12	Latest 103-30 103-18	+0-02 +0-02	194-01	Low 103-23	Est vol. 364,327 1,75?	329,202 17,367
lec I LONG TE trike intoe 11 12 73 14 15 st. vol. toma,	111,90 PRM FRIEN Apr 1,48 0,83 0,39 0,15 Cells 16,00	112.42 ICH BONI	O OPTION US UN 46 .71 .08 .52 .31	Sep 2.04 1.04 0.89	0.25 0.45 0.80	Jun 0.45 0.69 1.13	1.53	LUS TRE	Open 193-25 103-12	Latest 103-30 103-18 103-03	+0-05 +0-01 Change	194-01 103-20	103-23 103-11	Est. vol. 364,327 1,751 40	329,202 17,367
LONG TE	111,90 PRM FRIEN Apr 1,48 0,83 0,39 0,15 Cells 16,00	112.42 NCH BONI CA 1 1 1 1 1 0 1 4 Puts 18	0 OPTION 11.5	Sop 2.04 1.04 0.89	0.25 0.45 0.80 - - 	Jun 0.45 0.69 1.13 86 133,849 5	1.53 - - Puls 195,224	Japan	Open 193-25 103-12	Latest 103-30 103-18 103-03	Change +0-01 +0-02	194-01 103-20	103-23 103-11	Est. vol. 364,327 1,751 40	329,202 17,367
LONG TE	111,90 PRM FRIEN Apr 1,48 0,83 0,39 0,15 Cells 16,00	112.42 ICH BONI CA 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	D OPTION US	Sop 2.04 1.04 0.89 1.04 0.89 S(LFFE) D	0.25 0.45 0.80 	Jun 0.45 0.69 1.13 86 133,849 F	1.53 	Japan	Open 193-25 103-12	Latest 103-30 103-18 103-03	Change +0-01 +0-02	High 104-01 103-20	103-23 103-11	Est. vol. 364,327 1,751 40	329.202 17,367 1,537
ECONG TE	111,80 PM FREN Apr 1.48 0.39 0.15 Cals 16.00 Open	112.42 ICH BONI CA 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	DOPTION US	Sep 2.04 1.04 0.89 from day's op	0.25 0.45 0.80 - - - - - - - - - - - - - - - - - - -	Jun 0.45 0.69 1.13 16 133,849 F	1.53 	Japan	Open 193-25 103-12 NAL LONG Y100m 100	Latest 103-30 103-18 103-03 TERM J/	Change +0-01 +0-02 +0-02 APANESE	High 104-01 103-20	103-29 103-11	Est. vol. 364,327 1,751 40 Est. vol	329,202 17,367
LONG TE trikes tos 11 12 13 14 15 15 15 15 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	111.80 PRM FREN Apr 1.48 0.83 0.39 0.15 Cells 16.00	112.42 ICH BONI CA 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	D OPTION US	Sep 2.04 1.04 0.89 S(LFFE) D High 92.50	0.25 0.45 0.80 	Jun 0.45 0.69 1.13	1.53 	Jun Sep Dec Japan M NOTEO (LIFFE)	Open 193-25 103-12 NAL LONG Y100m 100 Open	Latest 103-30 103-18 103-03 TERM J/ Other of 10 Closes	Change +0-01 +0-02 APANESE 0% Change	104-01 103-20 103-20 GOV7. BON 116.93	Low 103-23 103-11 NO PUTUR: Low 115.66	Est. vol. 364,327 1,757 40 Est. vol. 3298	329,202 17,367 1,537
LONG TE trikes tos 11 12 13 14 15 15 15 15 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	111,80 PRIM FREN Apr 1.48 0.83 0.39 0.15 Cals 16,00 V L GERMA Open 91,81	112.42 ICH BON CA J 1 1 1 C 1 1 C 2 I 1 1 C 3 0 H Pub 18 UN BUND Sett price 92.42	U.S	Sep 2.04 1.04 0.89 S(LFFE) D High 92.50	0.25 0.45 0.80 - - - - - - - - - - - - - - - - - - -	Jun 0.45 0.69 1.13	1.53 	Jun Sep Dec Japan M NOTEO (LIFFE)	Open 183-25 103-12 NAL LONG 17100m 100 Open 115.75	Latest 103-30 103-18 103-03 TERM J/ Other of 10 Closes	Change +0-01 +0-02 APANESE 0% Change	104-01 103-20 103-20 GOV7. BON 116.93	Low 103-23 103-11 NO PUTUR: Low 115.66	Est. vol. 364,327 1,757 40 Est. vol. 3298	329,202 17,367 1,537
LONG TE THEO THEO THOS THOS THOS THOS THOS THOS THOS THO	111,80 PRIM FREN Apr 1,49 0,83 0,39 0,15 Cals 16,00 Open 91,81 91,50	112.42 NCH BONI CA J 1 1. 7 1. 9 0. 14 Pub 18 AN BUND Sett pub 18 92.42 91.91	U.S	Sep 2.04 1.04 0.89 S(LFFE) D High 92.50	0.25 0.45 0.80 - - - - - - - - - - - - - - - - - - -	Jun 0.45 0.69 1.13	1.53 	Jun Sep Dec Japan M NOTEO (LIFFE)	Open 183-25 103-12 NAL LONG 17100m 100 Open 115.75	Latest 103-30 103-18 103-03 TERM J/ Other of 10 Closes	Change +0-01 +0-02 APANESE 0% Change	104-01 103-20 103-20 GOV7. BON 116.93	Low 103-23 103-11 NO PUTUR: Low 115.66	Est. vol. 364,327 1,757 40 Est. vol. 3298	329.202 17,397 1,537
LONG TE trike trike titl 12 13 14 15 5t vol. toss. NOTIONA	111,80 PRIM FREN Apr 1,49 0,83 0,39 0,15 Cals 16,00 Open 91,81 91,50	112.42 NCH BONI CA J 1 1. 7 1. 9 0. 14 Pub 18 AN BUND Sett pub 18 92.42 91.91	D OPTION US UN 46 46 52 31 002 . Pres PUTURE Chang +0.68	Sep 2.04 1.04 0.89 S(LFFE) D High 92.50	0.25 0.45 0.80 - - - - - - - - - - - - - - - - - - -	Jun 0.45 0.69 1.13	1.53 	Jun Sep Dec Japan M NOTEO (LIFFE)	Open 183-25 103-12 NAL LONG 17100m 100 Open 115.75	Latest 103-30 103-18 103-03 TERM J/ Other of 10 Closes	Change +0-01 +0-02 APANESE 0% Change	104-01 103-20 103-20 GOV7. BON 116.93	Low 103-23 103-11 NO PUTUR: Low 115.66	Est. vol. 364,327 1,757 40 Est. vol. 3298	329,202 17,367 1,537
LONG TE trike trike titl 12 13 14 15 5t vol. toss. NOTIONA	111,80 PRIM FREN Apr 1,49 0,83 0,39 0,15 Cals 16,00 Open 91,81 91,50	112.42 NCH BONI CA J 1 1. 7 1. 9 0. 14 Pub 18 AN BUND Sett pub 18 92.42 91.91	D OPTION US UN 46 46 52 31 002 . Pres PUTURE Chang +0.68	Sep 2.04 1.04 0.89 source day's op High 82.50 91.59	0.25 0.45 0.80 - - - - - - - - - - - - - - - - - - -	Jun 0.45 0.69 1.13	1.53 	LIFFE VAL	Open 193-25 103-12 NAL LONG Y100m 100 Open 115.75 area also trade	Latest 103-30 103-18 103-03-03 103-03 103-03 103-03 103-03 103-03 103-03 103-03 103-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03-03 103-03	Change +0-01 +0-02 APANESE 0% Change	104-01 103-20 103-20 GOV7. BON 116.93	Low 103-23 103-11 NO PUTUR: Low 115.66	Est. vol. 364,327 1,757 40 Est. vol. 3298	329,202 17,367 1,537
LONG TE trike trike titl 12 13 14 15 5t vol. toss. NOTIONA	111,80 PRIM FREN Apr 1,49 0,83 0,39 0,15 Cals 16,00 Open 91,81 91,50	112.42 NCH BONI CA J J 1 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	D OPTION LLS un 46 71 08 52 31 002 . Pre- PUTURE Chang +0.68 +0.68	Sep 2.04 1.04 0.89 from day's op 8 (LIFFE) D e High 82.50 91.59	0.25 0.45 0.80 - - - - - - - - - - - - - - - - - - -	Jun 0.45 0.69 1.13	1.53 	Japan M NOTIO (LIFFE No.	Open 193-25 103-12 NAL LONG Y100m 100 Open 115.75	Latest 103-30 103-18 103-03-03 103-03 103-03 103-03 103-03 103-03 103-03 103-03 103-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03 103-03-03-03-03 103-03-03-03-03 103-03-03-03-03-03-03-03-03-03-03-03-03-	Change +0-01 +0-02 APANESE 0% Change	High 104-01 103-20 GGVT. BOR High 116.93 arrest figs. are	LOW 103-23 103-11 NED PUTUR LOW LOW 15-95 a for previous	Est. vol. 364,327 1,751 40 Est. vol. 3298 chry.	329 202 17,387 1,537 Open lint. 0
LONG TE trike 11 12 12 13 14 15 st. vol. tossi, NOTIONA un op	111,80 PRM FREN Apr 1,49 0,83 0,15 Colls 16,00 V V GERMA Open 91,81 91,50 Notes	112.42 NCH BONI CA 1 1 1 1 0 0 0 4 Puts 18 AN BUND Sett price 92.42 91.91	D OPTION US UN 46 46 52 31 002 . Pres PUTURE Chang +0.68	Sep 2.04 1.04 0.89 fous day's op High 92.50 91.59	0.25 0.45 0.80 	Jun 0.45 (0.69 1.15 1.15 1.15 1.15 1.15 1.15 1.15 1.1	1.53 	Jun Sep Dec Japan M NOTIO (LIFFE VIII) LIFFE VIII	Open 193-25 103-12 NAL LONG Y100m 100 Open 115.75 ures also tred	Laftest 103-30 103-18 103-03 103-03 1TERM J/ Close ed on APT.	Change +0-01 +0-02 APANESE 0% Change	High 104-01 103-20 GCVT. BON High 116,93 House	LOW 103-23 103-11 NED PUTUR LOW LOW 15-95 a for previous	Est. vol. 364,327 1,757 40 Est. vol. 3298	329.202 17,397 1,537 Open lint. 0
LONG TE trike trike trike trice til 12 23 44 45 55 st. vol. total, ACTENIAGENE MOTIONA LICENIAGENE CHILDRE C	Apr 1.48	112.42 NCH BONI CA J J 1 1. 1 0. 4 Puls 18 AN BUND Sett price 92.42 91.91 RICES Thus int Re	O OPTION LLS un 46 71 08 62 31 002 - Pre- Chang +0.68 +0.68	Sop 2.04 1.04 0.89 from day's op 8 (LIFFE) D 9 High 92.50 91.59	0.25 0.45 0.80 	Jun 0.45 0.69 1.13	1.53 	Japan M NOTIO (LIFFE No.	Open 193-25 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad	Laftest 103-30 103-18 103-03 103-03 112-24 July 202-24 103	Change +0-01 +0-02 APANESE 03% Change All Open 100 All Op	High 104-01 103-20 GGVT. BON High 116.93 Hotes	103-23 103-11 NO PUTUR: 15-95 10 for previous	Est. vol. 364,327 1,751 40 Est. vol. 3298 chap.	329.202 17,397 1,537 Open int. 0
LONG TE trike trike into into int	111,80 FRM FREN Apr 1,48 0,83 0,15 Cols 16,00 V 4. GERMU Open 91,81 91,50 Notes up he Five Ye 190-95	112.42 ICH BONI CA 1 1. 1 1. 1 0. 0 0. 14 Puts 18 AN BUND Sett price 92.42 91.91 AN BUND Sett price 92.42 91.91	O OPTION LLS un 46 71 08 62 31 002 - Pre- Chang +0.68 +0.68	Sop 2.04 1.04 0.89 from day's op 8 (LIFFE) D 9 High 92.50 91.59	0.25 0.45 0.80 	Jun 0.45 0.65 1.15 1.15 1.15 1.15 1.15 1.15 1.15 1	1.53 	Jun Sep Dec Japain Monto Eliffe No. Liffe No. Red Price E 852 108-3-4 887 8.44 887 8.41 1094 841 1094	Open 193-25 103-12 NAL LONG 1700m 100 Open 115.75 res also tred + or - High + by 107% + B 107%	Laftest 103-30 103-18 103-03-03 103-0	Change +0-07 +0-02 APANESE O% Change All Open and	High 104-01 103-20 GOV7. BOP High 116.93 street figs are Notes	103-23 103-11 ND FUTURE Low 115-95 1 for previous	Est. vol. 364,327 1,751 40 Est. vol. 3298 chap.	329.202 17,397 1,537 Open int. 0
LONG TE trikes rice rice rice rice rice rice rice ric	Apr 1.48	112.42 ICH BONI CA 1 1.1 1 0.0 1 0.0 4 Puts 18 AN BUND Sett price 92.42 91.91 AT Reserved 10.14 8.1 10.14 8.1 12.30 6.1 12.30 6.1 12.30 6.1	O OPTION LLS	Sep 2.04 1.04 0.89 1904 day's op 91.59 91.59	0.25 0.45 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.8	Jun 0.45 (0.63 1.13 1.13 1.13 1.13 1.13 1.13 1.13 1	1.53 	Jun Sep Dec Japan Morro Currel Value Currel	Open 193-25 103-12 NAL LONG 1700m 100 Open 115.75 res also tred + or - High + by 107% + B 107%	Laftest 103-30 103-18 103-03-03 103-0	Change +0-07 +0-02 APANESE 0% Change 20% Change 20% Change 20% 20% 20% 20% 20% 20% 20% 20% 20% 20%	High 104-01 103-20 GOV7. BOP High 116.93 erest figs and Wotes (67.9) 1 (78.9) 2 (78.9) 3 (78.9) 3	Low 103-23 103-11 Low Low Low 15:95 a for previous 15:70 3.82 10:39 3.84 13	Est. vol. 364,327 1,751 40 Est. vol. 3298 day.	229.202 17,397 1,537 Cpen int. 0
LONG TE trike trike it 12 13 14 15 52 tvol. total, ACTTINGEN NOTIONA NOTIONA III 1004pr 1935 car 12 4pc 19 15-4cc 1936 car 134-4pc 1936	111,80 PRM FREE Apr 1.48 0.83 0.15 0.15 Colls 16.00 V CPRMU Open 91.81 91.50 Notes up he Rive Ye 100-95 100-95	112.42 ICH BONI CA 1 1 1 1 1 0 4 Puts 18 AN BUND Sett price 92.42 91.91 AUCES 10 14 84 12.30 64 11.32 64 11.32 67	O OPTION LLS	Sep 2.04 1.04 0.89 1904 day's op 91.59 91.59	0.25 0.45 0.80 0.80 0.80 M250,000 Elow 91,84 91,50 013,7 (c) 103,1 (c) 103,1 (c)	Jun 0.45 (0.63 (0.	1.53 	Japan Norto (LIFFE Va. Sep Dec Japan Norto (LIFFE LIFFE Va. LIFFE Va. San Price E 8.51 1983-54 8.41 1994 8.50 1065-24 8.72 1223 8.72 1223 8.74 1943 8.44 943	Open 193-25 103-12 103-12 103-12 Y100m 100 Open 115.75 Iros also tradi	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE ON Change All Open tro	194-01 103-20 103-20 103-20 103-20 116.33 116.33 103-21 103-21 103-21 103-21 103-21 103-21 103-21	Low 103-23 103-11 103-1	Est. vol. 364,327 1,751 40 Est. vol. 3298 day.	329.202 17,387 1,537 Open Int. 0 2065 2017 1051 1054 1061 1051 1061 1051 1061 1051
LONG TE trike trike 11 12 13 14 15 st. vol. tossi, COTTONA INCTIONA INCIDENT INCIDEN	Apr 1.48	112.42 ICH BON CA J 1 1. 1 0. 4 Puls 18 WH BUND Sett price 92.42 91.91 SIG 25 10 14 8. 11.23 6.1 11.27 6.1 11.26 7. 12.45 7. 12.45 7. 12.45 7. 12.45 7.	O OPTION LUS un 45 47 71 08 62 31 002 Pres 40 68 99° 20 1014 52 1014 52 1014 52 1014 52 1014 52 1014 52 1014 53 1014 54 55 1014 56 56 56 56 56 56 56 56 56 5	Sep 2.04 1.04 0.89 1904 day's op 91.59 91.59	0.25 0.45 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.8	Jun 0.45 (0.63 1.13 1.13 1.13 1.13 1.13 1.13 1.13 1	1.53 	Jun Sep Dec Japan M NOTEO (LIFFE) Jun Price E S. 1968 M 857, 841 10048 M 851 1054 M 852 1223 R 44 842 155 1554 M 853 1554 M 853 1554 M 843 155 1554 M 843 1554	Open 193-25 103-12 103-12 103-12 Y100m 100 Open 115.75 Iros also tradi	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE ON Change To Be to Change To To Change	1103-20 103-20 103-20 103-20 103-20 116.33 103-20 103-30 1	103-23 103-11 MD PUTUR 115-95 107 137 117 05 M 115-95 107 137 139 3.45 139 3.45 139 3.45 139 3.45 139 3.45 139 3.45 139 3.45	Est. vol. 364,327 1,751 40 Est. vol. 3298 day.	329.202 17,397 1,537 Open int. 0 -1995 - 1094 1954 1954 1954 1954 1954 1954 1954 1954
LONG TE britke trike the control of	Apr 14.89 Apr 1.48 Ap	112.42 ICH BONI CA J 1 1. 1 0. 0 0. 4 Puls 18 AN BUND Sett price 92.42 91.91 20.14 5. 12.30 6.1 12.30 6.1 12.30 6.1 12.30 6.1 12.30 7.1 12.45 7.1 12.45 7.1 12.45 7.1	O OPTION LLS un 45 71 71 70 86 87 88 99 103 103 104 105 106 106 106 106 106 106 106	Sep 2.04 1.04 0.89 1.04 0.89 1.04 0.89 1.59 1.59 1.59 1.59 1.59 1.59 1.59 1.5	0.25 0.45 0.45 0.80 	Jun 0.45 (0.63 (0.	1.53	Jun Sep Dec Japan Morro (LIFFE) Jun 1 LIFFE Va. 1004 837, 841 1004 87, 841 1004 87, 841 1005 81,	Open 193-25 103-12 103-12 103-12 103-12 100-13 100-13 115.75 100-13 115.75 107-14 107-	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE 0% Change 12 12 12 12 12 12 12 12 12 12 12 12 12	High 104-01 103-20 103-20 High 116.93 Frost figs are (78.9) 2 (78.9) 3 (78.9) 3 (78.	103-23 103-11 103-11 103-11 103-11 103-11 105-11 105-11 107 122-10 123-123-10 123-133-134-133-134-133-134-133-134-133-134-133-134-134	Est. vol. 364, 327 1,751 40 Est. vol. 3298 day.	329.202 17,397 1,537 1,537 Open int. 0 2093 2074 1954 1954 1954 1954 1954 1954 1954 1954 1954 1954 1954 1954
LONG TE LONG TE Strike 11 12 13 14 15 st. vol. tonal, 3ertmant F NOTIONA In 10 10 10 10 10 10 10 10 10 10	111.80 PRM FREE Apr 1.48 0.83 0.15 0.15 Cells 16.00 V CPENW Open 91.81 91.50 Notes wp in Five Ye 190-95 190-95 190-95 190-95 190-95 190-95	112.42 ICH BONI CA J 1 1. 1 0. I 0. I 1. I 0. I 1. I 0. I 0. I 1. I 0.	O OPTION LLS	Sep 2.04 1.04 0.89 1.04 0.89 1.04 0.89 1.59 1.59 1.59 1.59 1.59 1.59 1.59 1.5	0.25 0.45 0.80 	Jun 0.45 0.63 1.13 0.63 1.13 0.63 1.13 0.63 1.13 0.64 p. 100ths of	1.53	Jun Sep Dec Japan M NOTIO (LIFFE) Jun Price E 85: 198,541 1093 8.41 1093 8.44 847 841 842 842 842 842 1168 8.44 1002 8.47 1292	Open 193-25 103-12 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad +2 107& +3 107& +3 107& +4 1078 +4 1078 +4 1078 +5 1174 +5 1174	Laftest 103-30 103-18 103-30 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE ON Change At Open to 20 20 10 20 10 20 10 20 10 20 10 20 10 20 10 20 10 20 10 20 10 20 10 20 10 20 20 10 20 20 20 20 20 20 20 20 20 20 20 20 20	High 104-01 103-20 103-20 High High High 16.93 178.	103-23 103-11 103-11 103-11 103-11 103-11 105-11 10	Est. vol. 364, 327 1,751 40 Est. vol. 3298 day.	229.202 17,397 1,537 1,5
LONG TE I LONG TE Irrice 111 12 13 14 15 15 10 10 10 10 10 10 10 10	Apr 14.89 Apr 1.48 Ap	112.42 ICH BONI CA 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	O OPTION LLS un 45 47 46 47 52 52 53 60 60 60 60 60 60 60 60 60 6	Sep 2.04 1.04 0.89 1.04 0.89 1.04 0.89 1.04 0.89 1.59 1.59 1.59 1.59 1.59 1.59 1.59 1.5	0.25 0.45 0.80 0.80 0.80 91,84 91,50 0.80 91,84 91,50 0.80 101,5 103,5 1	Jun 0.45 0.69 1.15 0.69 1.	1.53	US TRI Jun Sop Dec Japan MOTIO (LIFFE) Jun LIFFE Va. LIF	Open 193-25 103-12 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad +2 107& +3 107& +3 107& +4 1078 +4 1078 +4 1078 +5 1174 +5 1174	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE ON Change At Open 10 20 76 -10 20 70 70 70 70 70 70 70 70 70 70 70 70 70	High 104-01 103-20 103-20 High 116.93 From 169. are (78.9) 2 (78.9) 3 (78.9) 3 (78.9	103-23 103-11 103-11 103-11 103-11 105-95 107-123-1 107-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-123-1 108-	Est. vol. 364, 327 1,751 40 Est. vol. 3298 day.	229.202 17,397 1,537 1,5
LONG TE trikes trikes trikes 111 12 13 14 15 15 14 15 15 16 16 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18	Apr 14.89 FRENCH	112.42 ICH BONN CA 1 1. 1 1. 1 0. 0 0. 14 Puls 18 AN BURIO Sett price 92.42 91.91 20.14 5. 12.30 6.5 12.30 6.5 12.30 6.7 12.45 7. 12.	O OPTION LLS	Sep 2.04 1.04 0.89 1.04 0.89 1.04 0.89 1.04 0.7 1013 1.1	0.25 0.45 0.80 0.80 0.80 0.80 91,84 91,84 91,50 0.80 101,5 103,1 1	Jun 0.45 0.63 1.13 0.63 1.13 0.63 1.13 0.63 1.13 0.64 p. 100ths of	1.53	Jun Sep Dec Japan M NOTIO (LIFFE) Jun Price E 85: 198,541 1093 8.41 1093 8.44 847 841 842 842 842 842 1168 8.44 1002 8.47 1292	Open 193-25 103-12 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad +3 107-4 +3 107-4 +4 107-4 +4 107-4 +5 107-4 +5 107-4 +5 107-4 +5 108-4 +5 108	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE 0% Change Change 2c 76	High 104-01 103-20 103-20 High 116.93 From Figs. and (73.93 2 (73.93 3 (73.93 3 (73.	103-23 103-11 103-11 103-11 103-11 105-105 105	Est. vol. 364,227 1,751 40 40 40 40 40 40 40 40 40 40 40 40 40	299 202 17,397 1,537 1,537 1,537 0 0 0 2055 2016 1054 1054 1054 1054 1054 1054 1054 1054
LONG TE Strike 11 12 13 14 15 st. vol. tonsi, NOTIONA Immorphism NoTIONA Immorphism NoTIONA Immorphism NoTIONA Immorphism NoTIONA	Apr Apr 1.48	112.42 ICH BONN CA 1 1. 1 1. 1 0. 0 0. 4 Puts 18 AN BURIO Sett price 92.42 91.91 10.14 8. 12.30 64 12.30 64 12.30 65 12.30 67 12.35 77 12.15 7	O OPTION LLS	Sep 2.04 1.04 0.89 1.09 1.09 1.09 1.09 1.09 1.09 1.09 1.0	0.25 0.45 0.80 0.80 0.80 91,84 91,50 0.80 91,84 91,50 0.80 101,5 103,1 1	Jun 0.45 0.69 1.15 0.69 1.	1.53	US TRI Jun Sop Dec Japan MOTIO (LIFFE) Jun LIFFE Va. LIF	Open 193-25 103-12 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad +2 107& +3 107& +3 107& +4 1078 +4 1078 +4 1078 +5 1174 +5 1174	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE 0% Change Change Al Open in -pr 19 -	19gh 104-01 103-20 103-20 103-20 116-33 116-33 106-33 178-34 178-	103-23 103-11 103-11 103-11 103-11 105-105 105	Est. vol. 364,227 1,751 40 40 40 40 40 40 40 40 40 40 40 40 40	289 202 17,387 1,537 1,537 1,537 Open Int. 0 2051 2074 1054 1054 1054 1054 1
LONG TE I LONG TE Irrice I LONG TE Irrice III III III III III III III	Apr	112.42 ICH BONN CA I 1. I 1. I 0. I 0. I 1. I	O OPTION O OPTI	Sep	0.25 0.45 0.45 0.80 	Jun 0.45 0.69 1.15 0.69 1.	1.53	US TRI Jun Sop Dec Japan MOTIO (LIFFE) Jun LIFFE Va. LIF	Open 193-25 103-12 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad +2 107& +3 107& +3 107& +4 1078 +4 1078 +4 1078 +5 1174 +5 1174	Latest 103-30 103-18 103-30 103-18 103-30 103-18 103-30 103-18 10	Change +0-01 +0-02 APANESE ON Change Change (Change	104-01 103-20 103-20 103-20 103-20 1169-1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	103-23 103-11 103-11 103-11 103-11 105-11 10	Est. vol. 364,227 1,751 40 Est. vol. 3298 6 day. 2267 1,751 40 Est. vol. 3298 1,751 1,7	299.202 17,397 1,537 1,5
The control of the co	Apr	112.42 ICH BONN CA I 1. I 1. I 0. I 0. I 1. I	O OPTION LLS	Sep 2.04 1.04 0.89 1.09 1.09 1.09 1.09 1.09 1.09 1.09 1.0	0.25 0.45 0.45 0.45 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.8	Jun 0.45 (0.63 1.13 (0.63 1.13 1.13 1.13 1.13 1.13 1.13 1.13 1	1.53	US TRI Jun Sep Dec Japan MOTO (LIFFE Va. LIFFE Va. LIFFE Va. 24 10014 8.50 105-24 8.41 10014 8.50 105-24 8.42 1105 8.44 941 8.43 1105 8.44 105 8.44 105 8.45	Open 193-25 103-12 103-12 103-12 NAL LONG Y100m 100 Open 115.75 res also trad +0 1074 +0 1074	Latest 103-30 103-18 103-30 103-18 103-30 103-18 103-30 103-18 10	Change +0-01 +0-02 APANESE 0% Change Change to 76	19gh 104-01 103-20 103-20 103-20 16gh 116.93 16gh 178.93 1	103-23 103-11 103-11 103-11 103-11 105-95 107-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12	Est. vol. 364,227 1,751 40 Est. vol. 3298 day. Est. vol. 11111 1111 1111 1111 1111 1111 1111	299.202 17,387 1,537 1,537 1,537 Open Int. 0 2055 207/3 105/4 105/
LONG TE Trikes Inflore Infl	Apr Apr 148 Apr 148 Apr 148 Apr 148 Apr 148 Apr 148 Apr 158 Ap	112.42 ICH BONN CA I 1. I 1. I 0. I 0. I 1. I	O OPTION LLS	Sep 2.04 1.04 0.89 1.09 1.09 1.09 1.09 1.09 1.09 1.09 1.0	0.25 0.45 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.8	Jun 0.45 (1.65 (1.	1.53	US TRI Jun Sep Dec Japan NOTIO (LIFFE) LIM LIFFE VAL LIFFE VAL LIFE VAL LIF	Open 193-25 103-12 103-25 103-12 103-12 105-12 107-6 1	103-30 103-18 103-03 103-18 103-03 103-18 103-03 103-1	Change +0-01 +0-02 APANESE 0% Change Change to 76	19gh 104-01 103-20 103-20 103-20 16gh 116.93 16gh 178.93 1	103-23 103-11 103-11 103-11 103-11 105-95 107-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12 105-12-12	Est. vol. 364,227 1,751 40 Est. vol. 3298 day. Est. vol. 11111 1111 1111 1111 1111 1111 1111	299.202 17,387 1,537 1,537 1,537 Open Int. 0 2055 207/3 105/4 105/
Dec II LONG TE Strike II LONG TE Strike 11 12 13 14 15 15 16 17 16 17 17 18 18 18 18 18 18 18 18	Apr FREE 1.88 0.25 0.35 0.35 0.35 0.35 0.35 0.35 0.35 0.3	112.42 ICH BONN CA I 1. I 1. I 0. I 0. I 1. I	O OPTION O OPTI	Sep 2.04 1.04 0.89 1.09 1.09 1.09 1.09 1.09 1.09 1.09 1.0	0.25 0.45 0.45 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.8	Jun 0.45 0.69 1.15 0.69 1.	1.53	US TRI Jun Sep Dec Japan NOTIO (LIFFE) LIM LIFFE VIO. L	Open 103-25 103-12 103-12 103-12 103-12 100m 100 Open 115.75 100 abo tred +2 1074 +2 1074 +3 1074 +3 1074 +3 1094 +3 1094 +4 1	103-30 103-18 103-30 103-18 103-30 103-18 103-30 103-18 10	Change +0-01 +0-02 APANESE ON Change Change To William	19gh 104-01 103-20 103-20 103-20 16gh 116.93 16gh 178.93 1	103-23 103-11 103-11 103-11 103-11 105-11 10	Est. vol. 364,227 1,751 40 Est. vol. 3298 day. Est. vol. 11111 1111 1111 1111 1111 1111 1111	289.202 17,387 1,537 1,5
CACTUMARIES NOTIONAL INFO CONTROL CONT	Apr	112.42 ICH BONN CA I 1. I 1. I 0. I 0. I 1. I	O OPTION LLS	Sep	0.25 0.45 0.45 0.45 0.45 0.45 0.45 0.45 0.4	Jun 0.45 (0.63 1.13 (0.63 1.13 1.13 1.13 1.13 1.13 1.13 1.13 1	1.53	Jun 18 TRI	Open 193-25 103-12 103-12 103-12 10532 1173-12 1073-13	Laftest 103-30 103-18 103-03 103-18 103-03 103-18 1	Change +0-01 +0-02 APANESE ON Change Change To William	1103-20 103-20 103-20 103-20 103-20 116.93 116.93 116.93 178.93 1	103-23 103-11 103-11 103-11 103-11 105-11 10	Est. vol. 364,227 1,751 40 Est. vol. 3298 day. Est. vol. 11111 1111 1111 1111 1111 1111 1111	289 202 17,387 1,537 1,5

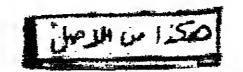
8.36 8.44 8.43 8.19 8.39 8.39 8.40 8.36 8.50

8.59 5.80 6.00 8.51 6.30 8.46

	Apr 3	Chande Naile		Accrued interest	ytd act.			pr 3	Mar 3		ago Apr		Yr. ago		Mur 31
1 Up to 5 years (24) 2 5-15 years (21)	119.72 140.78	+0.09			2,89 3,58	5 ym		3.36	8.43		10 E.45		7.93 7.70	8.56	
3 Over 15 years (9) 4 Irredeemables (8)	157.09 181.35	+0.56			1.47	20 yrs kred.†		1.37 1.41	8.43		68 B,47 80	8,54.	7.70_	8.63	8.70
5 All stocks (60)	137,58	+0.35			3.41	HIGHT!			0,40					: '	. :'
adam Bahad				-			· -				%	Ap	- britation	10% -	
nder-Brited	190.67		190.47	0.01	2.57	'Up to	E	Apr 3.4		3.51	Yr. ago 3.21		06 2.1		29
Over 5 years (11)	176.41	+0.10			1.28	Over 5		3.8		3.87	3,41		86 .36		23
All stocks (13)	176.98	+0.21			1.40										
Average gross redempdon yal	ds are shown	n abova. C	Coupon Synds	Low. 09-73%	C Mediant B	%-10%%; l	Hight 119	to mod o	over. †	Het ylu	id. yed Year	to dete			
													·		٠.
FT FIXED INTER	EST IN	DICE	2				T IIS	EDG	ED	ACT	TVITY I	NDICES		•	
				29 Yr ago	High Lo						Mar 31	Mar 30	Mar 29	Mar :	28 1
	91.57					22 G	in Edg	ed ber	gobie		98.2	.108.5	110.0	94.	4
Fixed interest 110.5	110.67	110.48	10.34 110.	48 116.31 1	10.67 108	.77 5	day or			~ ~ ~	101.7	99.8	96.0	94.	
for 1995. Government Securit 26 and Fixed Interest 1928. S	es organization	e complicati for: Publish	DE 12740 0¥ 5\$ 1974.	135, KIM 48.10	tr.iv.at com		di more	(11)	DIWIZ I	33.6V p	District Con	3(0) (3/0/4	. 2835 100	C ASOPTONIA	MII 000
The same of the same of	-			-	_	_		_						-	-
FT/ISMA INTERI	ATION	AL BO	RID SE	VICE				_			a a	_		-	
Listed are the latest internation	al bonds for	which then	e is an adequa	in secondary m	ndest, Lutoni	prices at 1									
los	bis bec	Officer (Chg. Yield			January C	864	Offer	Chg.	Yield			lested	Bld	Offer (
LE DOLLAR STRAIGHTS				United Kingdon	7 g g/	5500	1024	100		5.02		Treatury 6 03 8		93 ¹ 2	937
Aborta Province 7's 89			나 7.58 나 7.52	World Bank 9 1	Hn 703	2000	2712	223	1	7.63	British Level	5 11월 97 C 5% 23 C	TOU	105 ¹ 4 89 ¹ 4	105°2
Austria 8 ¹ 2 00	400 TO45	1047	+3 7.51	· World Bank 5%	03	3000	B1	814	43	7.31	Dermark 63	. 26E	800	94%	947
Radion-House LFin 84 00			+1 7.39 +3 7.19	World Bank 61	00	1330	1902	111		5.26	EB8032.	97 E	1000		95 ¹ e
Stark Next Germounters 7 89			+3 7.19 +3 7.35	SWISS FRANK								97 €	500	10312	103
Belgium 5 ¹ 2 03	1000 863		132	Acetcle 4 ¹ 2 00	k 5 10	100	103	105 ³ 2	Ig	5.70 4.62		ngs 11.68 02 C	153	110	1103
SPCE 7% N7 Shigh Columbia 7% D2	. 150 1014 . 500 1004		+1g 7.55 +1g 7.58	Council Europe	44 98	250	1014	10112	1	4.28	Japan Dev B	₹ 7 00 E	200	923	104 ¹ 4 93.
htish Ges 021	1500 125	125	4 4.18	Denmark 414 9		1000	99	99	14	4.50	Lard Secs 9	P2 07 E	200	997	10014
Canada 6 ¹ 2 97 Theung Kong Fin 5 ¹ 2 98	2000 985 500 904		4 BBO	Beo de France	74 98		108 ¹ 2	1082		5.57 5.67	Powerper E	01 E	250	105 ⁵ a	108 98 ¹ 2
7 tra 6 2 04	1000 865	894	H 8.51	Friend 74 98		500	109	1091		4.96	Severn Trans	7 03 £	150	106%	1091
Council Europe 8 98	100 7014		7.04	Hyerster Motor leakend 75, 00	Fan 895 97 🗕	100	107 109	107%		5.34 ·	Tokyo Bec I	Power 11 01 5	150	108½ 87½	109 ¹ 4
Oracli Foncier 9 ¹ 2 99 Dermark 5 ¹ 4 98	1000 951		4 7.12	Kobe 6 2 01 _		240	106	10812		523	TONZ Fin 9	4 TZ NZS	75	103	104
sel Japan Raiway 🗗 04	.600 127	831	12 7.76	Ontario 61s 98		400	103 86 ¹ 2	1035 891 ₂	414	5.76 6.33	Credit Local	601 AT	7000	903,	90%
CSC 84; 95			7.14 7.10	Quebec Hydro		450		1114		5.45	SNCF 94 9	Co 83, 22 FFr.	3000	102 ³ 2 103 ³ 2	100
36 74 99	, 250 1007	1014	- 6.96	World Bank 5 0	0	150	100	100%	Ą	5.00					
58 97, 97 Sec de France 9 98	1000 1047		·编 7.11 ·编 7.24	World Berk 7 0	1	600	109	10012		5.18	FLOATING	RATE NOTES	Secured	Bid	O
3+In: Sark Japan 5 (2)	. 500 103 ¹ 2	1024	12 753	YEN STRAIGH							Althous Made 7	Treasury -14 99			
Seport Dev Corp 81 ₂ 98	. 750 108 1500 98%		4 7.55	Bolgton 5 99 -		75000 100000	100%	1091 ₂	+1	287	Bestamete	1 2 98	750	90.55	
internal 8%, 97	3000 89-	994	44 7.24	Britis Bank Jan	an 4 2 03	105000	1084	107	+112	3.44	Beiglum 14 9	97 DM	500	100,00	
ford Motor Credit 6 ¹ 4 98 Sen Blec Capital 8 ³ 4 96	1500 974		44 7.45 -1 7.18	tales Armer Dev		300000	120 95 ¹ 8	120 ³ 4	+1 +5	2.96 3.85	CHACK - 4	90	2000	99.21	
of Bk Januar Pri 7's 97	200 10012	101%	+4 750	Jacom Dev Bik S	50	100000	109 ¹ 2	1083	+34	2.72	CCCE 0 98	ECU	200	90.10	. 99
nter Arner Dev 7°s 96	. 200 100% 500 93%		1 7.01 1 7.00	Japan Day Bk B Napon Tel 7el 3	54 AS	50000		1181 ₂	43°	3.29	Dermark	96	XXX	90.60	
at 64 23	3500 BD1 ₂	80%	+ B.93	Norway 5% 97		_ 150000	10514	10812	414	1.93	Dresdner Fin	ance & 98 DM	1000	100.00	.100
epen Dev Bik 8 t 01	. 500 104		150	SNOF 6% 00		3000		11/14	+ 7 2 +174	2.90 3.44	Firtund 0 97		1000	99,91	
(cres Bec Power 63) 03 TCB Fin 8 97 (atauthta Bec 74; 12	200 1004	10113	Hg 7.51	Seeden 45, 98		153000	1084	1063	412	2.32	MI Bank Ind	4 99	500	99.85	. 90
Standard Bec 74, 02	1000 98 ¹ s		+ 7.73 ·		œ	250000	1124	1124	+114	3.29	LKB Parlen-	Wuert Fin - In 9	8 1000	50.54	
icrway 7 ¹ 4 67	2771 07%	657	41 791	COLLECT STRAIG	2415						Lloyde Bank	Pap 5 0 10	800	82.31	63
Mary Vandard Ola OI	200 106	1061	14 7.42 7.22	Gerifrance Lux	94,99 LFr	1000	105	198	+4g 44g	7.63 8.31	New Zeeland	j-1, 98	650 Inco	99.22	99.
hatro-Carracia 74, 95 horaque 514, 09 huebec Hydro 94, 98 huebec Prov B 98 adrabury 84, 95	1000 8	10012	+3 7.55	World Bank 5 9	BLF:	1000	10012	1012	٠-,						
Luebec Hydro 9% 98	150 1057	105% 103%	41g 7.73 +1c . 7.65	ABN Armo 65 Bank Ned Gern	7 m3 5	1000	9712	100 86%	+4	8.72 7.45	Rente 0 98	erale 0 96	2000	99.42	39
einebury 94, 95	150 1027	102%	7.25	Bell Carneda 10	98 C\$	150	1057	1063	-3	8.89	Societe Gen	erale 0 96	300	98.67	. 00
AS 10 99 NCF 8 ¹ 2 99	200 1054 150 1084	700-4	+1 8.05 +1 7.25	Caracle Most &	10 98 CF	500	10712	101%		8.54	STREET, STREET	367 to -0.05 to 1	THE MOOT	00.04	98: 100
coain 5 ¹ 2 98	1500 9612		14 7/8				90%	994	+30	8.53	Sweden 0 9	toria (3.05 pg	1500		- 28
DE DE NEW PZ 95	200 1074	1015	구 7.28 구 7.52	Esc de Franco	al more	190 275	104-1	1053	+3	8.37 8.63	United Kinst	01 lorn -1 ₈ 96	2000	98.97	. 36
weden 6½ 03 wedsh Sport 6½ 96 digo Bec Power 6½ 03	700 1014	10112	7.05		W BY 44 -		101 2	103	-	8.58					- 49
digo Bes Power 64 D3	1000 9012	90¾ 101¼	4 ¹ 2 7.70	Nippon Tel Tel 1	17 CS	200		10572	+2g +2g	8.87 8.74	CONVERTE	LE BONDS		Conv.	
cicyo Metropolis 84, 98	1500 984	965	14 7.02	Orango 6 05 CS		1530	845	947	+3	9.15	·		leased		M .
byota Motor 5% 98	3000 991	104%	+3 739 +4 731	Ordario Hydro 1	74 98 CS	500	1064. 1062	107 ¹ 2 106	+3	6.79 6.64	Browning-Fe	mis 6 ¹ 4 05	400	52h	B4 .
hyda Motor 5% 98	1500 1034	10312	7.02	Quebec Prov 10	12 98 CS	200	10432	105	432		Citatis Caril	6 98	OF CO.	80 H	10
Ranto Bank 83g 96				Council Europe S	Of Edu	1100 . 1000	1024	183	43						79 10 11 18
Kanti Banik Bily 98			43 7.95	Cod Lorses	9 96 504	125	101	1014	7	7.90	Hone Kone I	100 239 UT _	— 420 30 2		75 7
Roto Bank 8 ³ y 98 Roto Bank 8 ³ y 97 EUTSCHE MARK STRAKSKTS	2000 83%		43 7.33 44 8.08	- 96 10 97 Eq	4 98 Ecu .	1125 500	1044	104 ⁵ g	138	7. <u>52</u> 8.36	Land Secs 6	and 4 01	410 . 3 84	8.72	784a 7 884a 9
Ratio Bank 8 ³ 2 98 Ratio Bank 8 ³ 4 97 BUTSCHE MAPK STRAIGHTS Legio 5 ¹ 2 24 Legio 5 ¹ 2 24	2000 83%	40012		Mary 10% 00 Ec		1000	107%	1081	. 438	8.78	LESTRO 7 4 0	5 c 2 c c g 1 c g c	98	5.64	85 1
Ratio Bank 8 ³ 2 98 Ratio Bank 8 ³ 4 97 BUTSCHE MAPK STRAIGHTS Legio 5 ¹ 2 24 Legio 5 ¹ 2 24	2000 83%	94	+12 7.35		_	1000	103%	102	+32	7.30 8.29	Mount Isa Fi	6 2 97	200 23	2263	755 7 174 9
Ratio Bank 8 ³ 2 98 Ratio Bank 8 ³ 4 97 BUTSCHE MAPK STRAIGHTS Uses 8 ¹ 2 24 Uses 8 ¹ 2 24	2000 83%	94 101	-l ₈ 7,41	South & 95 Ecu	94 01 Ecu	2/50				-4.0	RADIO CONTRACTOR	11. mm m		438 1	10
Rote Bank 8½ 95 EUTSCHE MARRE STRAIGHTS BEUTSCHE MARRE STRAIGHTS BEUTSCHE MARRE STRAIGHTS BEUTSCHE MARRE STRAIGHTS BEUTSCHE STR BE	2000 85% 2000 99 ¹ 2 2000 100 ¹ 6 1600 85% 2000 100 ¹ 2 2900 100 ² 8	101 100 ¹ 2 96 ¹ 2	1 7,41 1 6,41 1 6,40	Linked Kingdom AEDC 10 99 AS	649 01 Ect _	100	100%	101	+38	9,79	Option 8 02	4 98 E	250		well ' · ·
Rote Bank 8½ 95 EUTŠCHE MARRE STRAIGHTS BEUTŠCHE MARRE STRAIGHTS BEUTŠCHE MARRE STRAIGHTS BEUTŠCHE MARRE STRAIGHTS BEUTŠCHE MARRE STRAIGHTS BEUTSCH FOR 103 BEUTSCH FOR 1	2000 85% 2000 99 ¹ 2 2000 100 ¹ 6 1600 85% 2000 100 ¹ 2 2900 100 ² 8	101 100 ³ 2 96 ³ 2 123 ¹ 2	1 7,61 1 6,41 1 6,49 1 6,71	Linked Kingdom AEDC 10 99 AS Correr Bit Austr	94 01 Ecu	100 \$ 100	100%	101 1133 957	+38	9.79 8.98	Ogden 8 02 Permani 4 is	m	85 . SE	1077	864 8 724 8
Note Bank 89, 98 Hotel Bank 84, 97 BUTSCHE MARRE STRAIGHTS BUTSCHE MARRE STRAIGHTS BUTSCHE MARRE STRAIGHTS BUTSCHE SA BUTSCHE SA	2000 83% 2000 99½ 2000 100½ 1500 83% 2000 100½ 1500 99 1500 103½ 5000 103½ 8000 103½	94 101 100½ 96½ 123½ 123½ 123½ 113%	1 7.41 1 6.41 1 6.40 1 6.40 1 6.40 1 6.45 1 6.45 1 7.57	Linked Kingdom AEDC 10 99 AS Corres St Assist EB. 74, 99 AS HSSN Treasure Z	64, 01 Ecu 64, 134, 69 A 60, 0 20 A\$	100 \$ 100 350	100% 112% 95% 10%	113 ³ 2 95 ⁷ 2 10 ¹ 2	+1	9,79 8,98 9,27	Ogden 8 02 Permanii 4 k	03	85 .86 800 68J	9.077 1 9097 1 906.9	724 S
Note Bank 89, 98 MATHEMATICAL MANNER STRANDATES MATHEMATICAL MANNER STRANDATES MATHEMATICAL MANNER STRANDATES MATHEMATICAL MANNER STRANDATES MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL MATHEMATICAL	2000 85% 2000 99½ 2000 100½ 1600 85% 2000 100½ 2000 100½ 3000 100½ 1500 100¾ 1500 100¾ 1500 100¾	94 101 100 ¹ 2 98 ¹ 2 123 ¹ 2 102 ¹ 8 81 ³ 8	14 7.41 44 6.49 44 6.49 44 6.45 44 7.57 44 6.07	Linhad Kingdom AEC 10 99 AS Corres Sk Asaks EB 74, 99 AS NSW Treatmy Z R S 1 Bank 74, 6 State Bx NSW 8	94, 01 Ec	100 \$ 100 350 1000 125 300	100% 112% 95%	1133 ₂ 957 ₂ 101 ₂ 851 ₄	+1	9,79 9,27 9,29 10,51	Ogden 8 02 Permanii 4 le Sumatomo Ba Sun Alliance Tearn Contin	03 mk 3 ¹ g 04 7 ¹ g 05 £	85, 86 800 681 300 36 155	9097 1 9097 1 906.9 1 3.9 1	784 8 784 8 84 8
Note Bank 8½ 98 — Redd Bank 8½ 97 — Redd Bank 8½ 97 — Redd Bank 8½ 97 — Redd 6½ 24 — Redd 6½ 24 — Redd 6½ 24 — Redd 6½ 25	2000 85% 95½ 2000 100½ 1500 85% 1500 85% 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 100½	94 101 100 ¹ 2 98 ¹ 2 103 ¹ 2 102 ¹ 4 81 ³ 5 100 ³ 5	16 7.41 42 6.41 43 6.49 43 6.71 44 6.45 44 7.57 44 6.07 45 7.58 44 7.58	Linked Kingdom AEC 10 99 AS Corres St. Austr EB 74, 99 AS NSW Treatmay Z R & I Benk 74, 1 State Bit NSW 8 90 Aust. Govt R	94 01 Ect	100 \$ 100 350 7000 125 350 150	100% 112% 95% 10% 85% 94 93%	1133g 957g 101g 853g 943g 953g	+1 -13 +14	9,79 9,27 9,29 10,51 10,16 10,34	Ogden 8 02 Pennsoli 4 k Sumatomo B Sun Allamos Texco Capita Texas Instrus	03 71, 05 £ 8 05 £	85 86 800 68J 300 86 155 200	251 11 827 1	724 SK 784 SK 843 SK 174 110 085 101
Note Bank 8½ 93 Kott Bank 8½ 97 Letts Bank 8½ 97 Letts 6½ 24 Instit Foncier 7½ 03 Jennah 8½ 96 Jennah 8½ 90 Jennah 8½ 90 Jennah 8½ 90 Jennah 7½ 03 Jennah 7½ 03 Jennah 7½ 03 Jennah 9½ 90	2000 85% 95½ 2000 100½ 1500 85% 1500 85% 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 1500 100½ 100½	94 101 100 ¹ 2 98 ¹ 2 103 ¹ 2 102 ¹ 4 81 ³ 5 100 ³ 5	16 7.41 42 6.41 43 6.49 43 6.71 44 6.45 44 7.57 44 6.07 45 7.58 44 7.58	Linked Kingdom AEC 10 99 AS Corres St. Austr EB 74, 99 AS NSW Treatmay Z R & I Benk 74, 1 State Bit NSW 8 90 Aust. Govt R	94 01 Ect	100 \$ 100 350 7000 125 350 150	100% 112% 95% 10% 85% 94 93%	1133g 957g 101g 853g 943g 953g	+1 -13 +14	9,79 9,27 9,29 10,51 10,16 10,34	Ogden 8 02 Pennsoli 4 k Sumatomo B Sun Allamos Texco Capita Texas Instrus	03 71, 05 £ 8 05 £	85 86 800 68J 300 86 155 200	251 11 827 1	794 8 794 8 944 9 174 11 1852 10

9.26 9.54 8.51 8.52 12.01 10.51 10.47 9.09 9.09 9.26 4.23

1.75



finang

ار است. الرحم المارة المحافظة المراوية

7440 g

و المناسطة

Page.

Jack Control

TUESDAY

CURRENCIES AND MONEY

Federal Reserve intervenes to curb dollar decline

The Federal Reserve intervened actively on the foreign exchanges yesterday in an attempt to curb the continued fall of the dollar, writes Philip Ganith

For the first time in six years, the Fed intervened in Tokyo during Asian trading, and it returned to the market in the New York morning. According to market sources, the intervention was broad rather than substantial. It had a negligible impact, with the dollar continuing to trade at

pre-intervention levels. Monetary intervention was supplemented by a measure of verbal support for the dollar, with Mr Robert Rubin, the treasury secretary, saying intervention reflected concern over recent exchange rate movements. President Clinton also lent his support.

There was no evidence, however, of any central bank other than the Bank of Japan supporting the Fed in its efforts to stem the dollar's decline.

The dollar finished in London at DM1.3723, from DM1.8685 on Friday. Against the yen it closed at Y86.19 from Y86.4.

The Fed started to intervene about 30 minutes later, buying first at DML 3730, and in three subsequent rounds of intervention. It bought dollars against the yen first at Y86.10, and again at Y86.35.

Market activity was fairly quiet elsewhere, with last week's cut in German interest rates serving to take some of the steam out of the D-Mark, especially against core Euro pean currencies. Against the weaker currencies, like the lira, it has stayed strong. It

closed at L1,254 Sterling had a fairly subdued day, trading in the wake of the

-- Prev. close --1.8220 1.8217

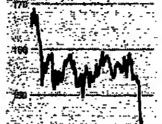
dollar. It closed at DM2.2187, from DM2.229, and at \$1.6169,

■ If the market is unsure about the outlook for the dollar, then this is in no small part due to the slightly puztling tactics adopted by the US authorities, on whose behalf the Fed intervenes. The combination of verbal and monetary intervention suggests the Treasury is concerned about the dollar, but its timing has been

Intervention works best when it it is directed in the same way the market is moving. On March 8, such an opportunity to support a dollar rally was spurned, as was a further opportunity last Thursday after the Bundesbank cut

curious.

German interest rates. And even within the context. yesterday's efforts, traders said the Fed would have been more successful had it intervened during European trading, instead of waiting until net the Yest (V per 2)



Evidence for the market's uncertainty comes from the high level of options volatility. coupled with fairly low turnover in the spot market.

Mr Avinash Persaud, currency strategist at JP Morgan in London, said flows in the market were fairly modest, with little evidence of traders or investors taking large positions. This testified to lack of conviction about the likely direction of the market.

Mr Adrian Cunningham. senior currency economist at UBS in London, said: "The market is being characterised by jobbing-type activity, with traders moving in and out of currencies very quickly, trying not to expose themselves." He said the market was dominated currently by interbank flows, with little activity from longer-

term investors. The Fed's intervention was characterised as being broad. rather than deep and intense. One US bank estimated that the Fed had spent about \$110m through it, in New York, and was probably doing similar

Assuming that the Bank of Japan was intervening in simiestimate that around \$2-3bn may have been spent supporting the dollar.

dollar has a distinctly bipolar. US-Japan, flavour. Only these two central banks have been buying the dollar, and the verbal intervention of the past few days has also been coming MONEY RATES

Jepan week sgo

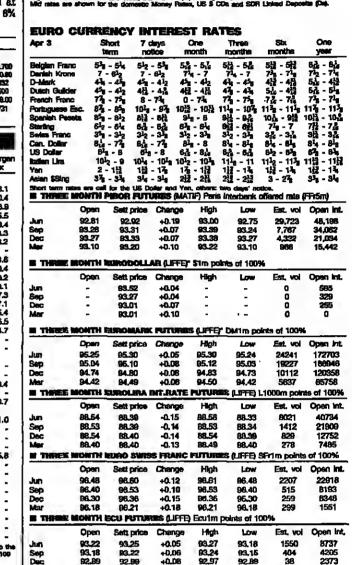
\$ LABOR FT Lon

US Dollar CDe

from these two quarters. Mr Rubin's comments were supported by a midnight statement from Mr Masavoshi Takemura, the Japanese finance minister. He said Japan had decided "to show its strong determination to ensure currency market stability."

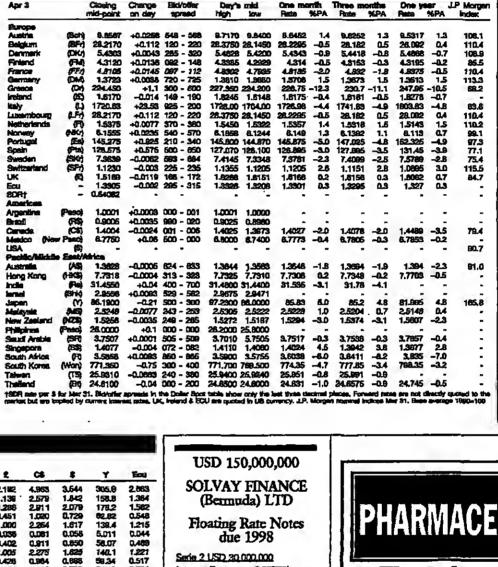
The Bank of England cleared a £300m money market shortage at established rates. Three month LIBOR traded at 6# per cent, still below the 6% per cent base rate.

N OTH	R CURRENCE	3
Apr 3	3	
Hungary	191.717 - 191.962	118,600 - 118,700
100	2622.81 - 2626.88	1745.00 - 1750.00
Kernali	QA736 - QA742	0.2830 - 0.2832
Potend	3,7923 - 3,8004	2.3460 - 2.3500
Personal	7917.81 - 7919.24	4896.00 - 4986.00
UAE	5.8371 - 5.9481	3,5728 - 3,5731



3½ 3½ 6¾ 6¾ 1¾ 2¼

POUND SPOT FOR -0.0782 067 - 202 -0.1547 047 - 408 --0.058 752 - 846 15.7722 15.5984 46.0220 45.5810 8.6514 6.7750 7.0490 6.6620 7.8167 7.7832 2.2483 2.2152 45,5227 8.7847 -0.0294 7.7778 2.2187 362.902 1.0000 -0.0339 749 --0.0103 178 -114.6 69.2 95.9 69.5 111.2 +0.0013 985 - 014 1,0001 1.0017 0.9980 2798,88 2757,82 46,0220 45,6810 2781.99 2895.80 45.1127 -0.1647 047 - 408 -0.0058 848 - 873 -0.0353 479 - 571 2.5010 2,4794 10,0494 9,9368 296,123 234,400 205,774 204,292 2,4827 9,9402 236,723 205,133 -0.229 732 - 044 -0.576 487 - 810 -0.096 968 - 162 -0.0194 146 - 169 204.653 11.0063 1.8157 12.0275 11.8928 11.9084 -0.2 11,9125 1.8379 1.8135 1.8114 2.8 -0.0114 165 - 174 -0.0051 532 - 587 -0.0205 633 - 651 +0.0168 114 - 970 1 6170 1.6268 1.4625 2.2750 1.4512 2.2601 2.2675 -1.7 2.2787 -1.7 2.3268 -2.8 80.7 11,0134 79.7 12.5784 12.4888 51.0620 50.8210 12.5012 -0.0202 734 - 840 4.8057 4.7728 -1.872 202 - 451 -0.0427 805 - 899 -0.0236 649 - 666 -0.1476 857 - 706 166.0 141,690 139,200 138,726 5.4 137,631 5.0 131,678 5.5 138.356 4.0822 2.4668 42.0382 4.1145 4.0781 2.4706 2.4845 42.4158 A1.6714 6.0644 8.1010 · 6.0579 -0.0446 627 - 680 -0.0234 747 - 773 -0.0277 952 - 001 -10.44 661 - 761 -0.4179 061 - 489 -0.3592 969 - 165 2.2760 5.7977 1247.10



60 Wall Street 60 Victoria Emb 46 Melezer Landestrame

Argus Fundamentals

Ourrences with direct

access to exchange floors

James Maxwel Tel: 0171 702 199

94.03 93.73 93.50

0.07 0.22 0.45

0.10 0.24 0.45

0.34

0.32 0.46 0.58

0.39 0.53 0.71

93.78

0.03 0.21 0.45

e day's open int., Cal

IS BRUNOMARK OPTIONS (LIFFE) DArism points of 100%

0.15 0.04 - 0.01

0.17 0.08 0.03

SE PRANC OPTIONS OFFE SF Im points of 100%

0.12 0.02 0

9525 9530 9573

in complience with the terms and conditions of the Deposit Agreement, the each distr

MUTRPACE

Petroleum Argus

Equities and Bonds

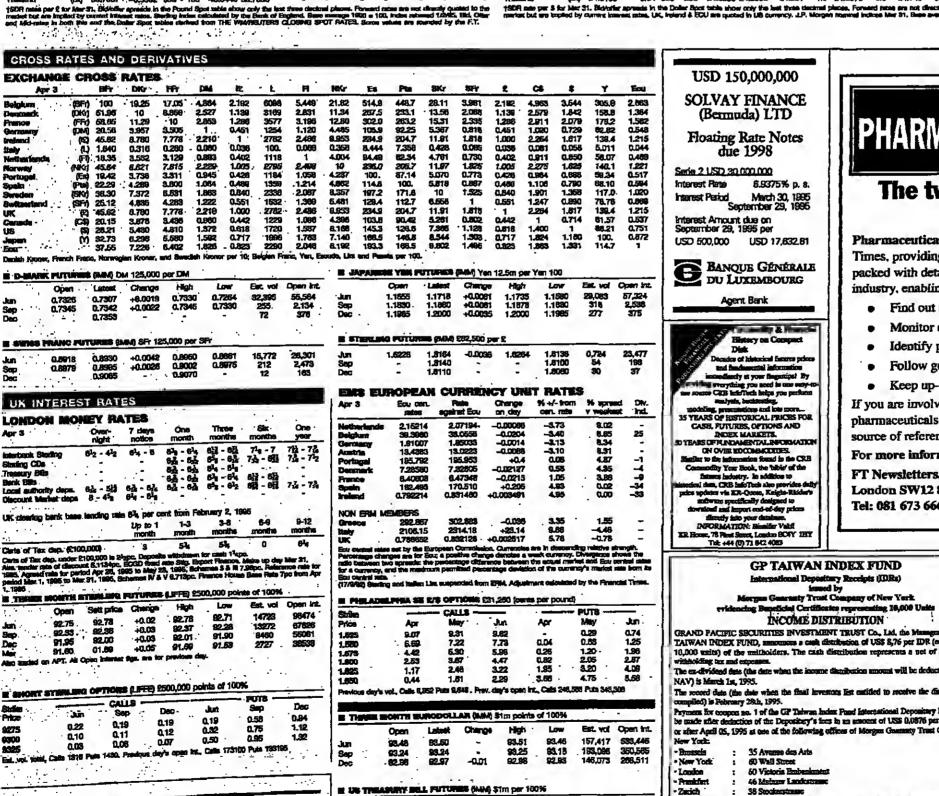
GDRs and ADRs

Tel: 0171 702 3377 Face 0171 680 0434

will be made by the Depositary or the effectmentiated agents, against presents appropriate component due certificate of satinatity and residence duly completed.

Depositary: Morgan Guaranty Trust Company of New York

Avenue des Arts 35,1040 Brassels (32 2 508 56 43)



BASE LENDING RATES

* Mount Banking . NetWestminster

875

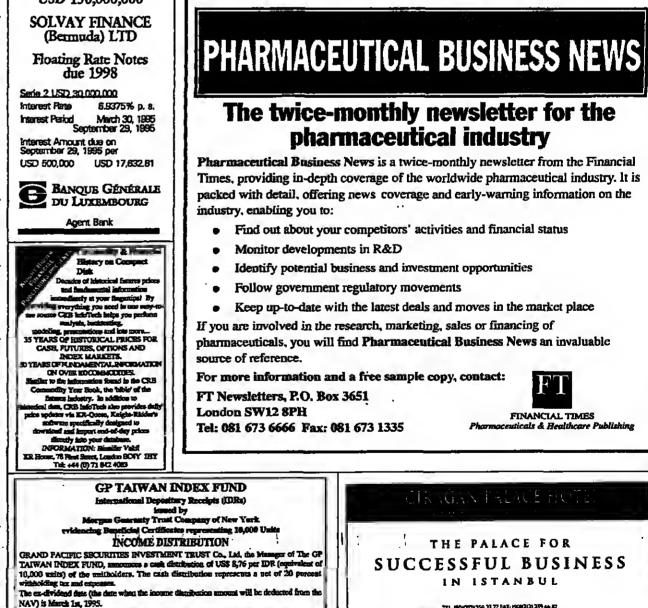
6.75

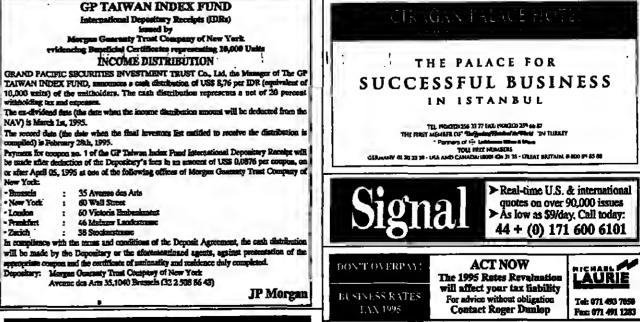
. 8.75

6.75

. 6.75

Birth of Cyprus.





THE TAX FREE WAY TO PLAY THE MARKETS'

We are the leadus in financial and commodity spread berriog. Accounts are normally opened w 72 hours. Up-to-day prices fam-9pm, Page 609 Telepott CH4. For brochure and account

CALL 0171 638 1500

To receive the first month FREE

"新发挥更加重要在电影传播的声音,我就是有更多,更是不是一个,我们就是有一个,也是一个,我们也是一个,我们就是一个一个,我们也是一个,我们也是一个一个,我们也是 "我们就是这是是这是是这种的,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们

15 mm

LONDON SHARE SERVICE Banks, Merchant 1,667 1,667 1,667 258,4 3,05 12,13 13,5 13,5 14,17 14,17 14,17 1 | 12-4 | | | 14,122 | 14 | | 122 | 123 | 12 | 12 | 14 | | | | 2007年 1.2007年 1.2007 파기타|||||| 558 558 558 1.1 39 22 31 9.52.53 2.51.52.53 2.51.52.53 2.51.52.53 2.51. || क्रिक्ति | क्रिक्टि | दे | दि | क्रिक्टि | निर्दे क्रिक्त | क्रिक्टि | दि | क्रिक्टि | 120 150 256 27 40 53 44 111 466¹2 2日日計2 16 715 16 - 2161, 05 CHEMICALS MCC7711285 C7711285 MCC2611281 MCC2611281 MCC771581 MCC7 | Dept. | Dept 通过1957年 1957年 195 1946年 1950年 ## ABURN | Price | Sept | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 | 199 61 1144 -14 32 2065 75 88 965 143 97.1 -59 1.7 1168 18 24 15.8 Alex 8 Alex 5

- Warrantie
- Warrantie
- Warrantie
- Tipe Co S
- William College
- American for S
- College College College
- College College Col 2444481498492-8131752-8-78821-517-198534-832732-7788012534782544-652525214 。 《新文学院在日本》的对象化区域和中的经验和连续的扩张的数据,可是对对数据的数据,可是对对数据的设置性的现在分词中经常区域的对象的对象。 51.82 16.15 16.27 16.75 16.27 16.75 16.27 16.75 16.27 16.75 16.75 16.27 16.27 34、50825994134653754454511576722山田地758851854585411515886595445854115158859954454185411575258611259445541585411586752山田地7525659574454511576725659544554115867525659544554115867525675 5.4 Adverst | Notes |
21.0 Adverst | Notes |
4.1 Assorbayada | Q
4.1 Assorbayada | Q
4.1 Assorbayada | Q
4.1 Assorbayada | Q
4.2 Sec Pi | G
4.5 Wis p4-65 | G
4.6 Wis p9-65 | G
4.6 Wis p9-65 | G
4.7 Wis p9-65 | G
4.7 Wis p9-65 | G
4.8 Wis p9-65 | G
4.8 Wis p9-65 | G
4.9 Wis p9-65 | Price 154, 275 at 152 a 以为政治的主题的特别的特别的主题的特别是不是一种,这种特别的特别的特别的,这种特别的特别的特别的,这种是一种,我们是一种,也是一种,我们是一种,我们是一种,我们是 13 132 80 118 132 80 1 BUILDING MATS. A MCRCHANTS

BU

مكذا من الاحل

TUESDAY APRIL

But The Water Bridge But Car

推出了的原理中国和农村的企业的企业,并是一个工作的。 "这种时,也是是一个工作的。"

100000

general territory of the second

A STATE OF THE STA

LONDON SHARE SERVICE M 1862年 115 - 115 6.0 1001 23.8 2.0 170 00 15 211 4 Intelligence of the contraction 236 226 163 125 442 162 33 457 184 7 | | | | | | | | | | | 209 188 143 98 3¹4 424 24 25 155 CONTRACTOR OF STREET CHENING STREET CONTRACTOR 57836 196 196 212 212 238 258 258 279 27 1913 1913 1142 1142 P/E
11.5 Rristol Water
11.6 Rristol Water
11.9 B N/V
11.9 B N/V
11.0 B N/V
11 1,416 77.8 87.1 12.7 20.8 35.3 57.0 16.5 59.3 59.6 59.6 59.6 59.6 1,673 1,626 691.7 702.1 1,626 691.7 Price C 272/4 274/ 123 123 123 645 lp 206 1612 1512 1512 43 中一大大日本教育会社 一大日本大十十十十十十十 Price S 11/2 11/2 1017-49 16/2 839-49 14/3 41/2 103-49 85/49 12/4 25/49 17/4 5399 11/4 11/4 11/4 11/4 | The property | The Tiper Dates

[50] 1972 168 512.5 21 20.3

GUNDE TO LONDON SHARE SERRVICE

Prices for the London Share Sovice definered by Estel Financial, a member of the Financial Trues Brown.

Company chantifectures are aboven to person unless otherwise stated. Highs and lows are based on inter-part mid-prices.

Dening mid-prices are aboven to person unless otherwise stated. Highs and lows are based on inter-part mid-prices.

Virtues stated and Price misse.

Virtues are priving to districted status appear in the notes column daily as a guide to yields and Price misse.

Symbol refuring to districted status appear in the notes column daily as a guide to yields and Price misse.

Symbols refurning to districted status appear in the notes column daily as a guide to yields and Price misse.

Price for international status appear in the notes column daily as a guide to yields and Price misse.

Symbols refurning to district an appear of the notes column daily as a guide to yields and Price misse, and the state of stock quants.

Estimated price/swellings reflect are based on intert sexual reports and accounts and, where possible, are specially an applicable. Price are based on anti-prices, are process, adulted and are stated and marrial price and price are price and affective, and price are price and affective, and are guided to a state of the state and anti-prices, and prices are published cooleanasty through the state are superior and anti-prices, and prices are published cooleanasty through the state at several guide and prices are published cooleanasty through the state at surgery and prices are published and prices are published cooleanasty through the state at surgery and prices are published cooleanasty through the state at surgery and prices are published and an anti-prices, published and prices are published and an anti-prices, published and prices are published and prices are published and prices are published and an anti-prices, published and prices are published and prices are published and prices are published and prices FT Free Annual Reports Service
You can obtain the current annual/interim report of any company annotated with \$\frac{4}{3}\$.

Please quote the code FT7564. Ring 0181-770 0770 (open 24 hours including weekends) or Fax 0181-770 3822. If calling from outside the UK, ring +44 181 770 0770 or fax +44 181 770 3822. Reports will be sent the next working day, subject to availability.

FT Cityline
Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 0171-873 4378 (+44 171 973 4378, International) for more information on FT Cityline.

i de kangemen i a Te Para Sintona wilan

FT MANAGED FUNDS SERVICE ■ FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more detailed. OFFSHORE AND OVERSEAS \$70.17 \$43.10 \$20.71 21.57 \$12.75 13.28 BERMUDA (SIB RECOGNISED) AND STATE OF THE S left Mateur Selling Huyley +++ Yold Chaps Pales Pales - Br's \$7.06 25.77 2.51 \$10.70 17.28 000 3.50 \$10.70 17.28 000 3.50 Chiny Bretinet.
Reguert Glacket Fernet
If me Goeths, 1—1637
and Growth Fernet
of Growth Fernet
American Still Fernet
American Fernet
American Fernet
American Fernet
American Fernet
American Fernet GUERNSEY (REGULATED)("") S. E. Bardon Lexembor 16 Bertenard Rosal, L-244B. -22 JERSEY (SIB RECOGNISED) +8.35 Spany North American

Egalty Machineranan

Egalty Cool States

For Each Caches

For Each States

For Each St tens! an lens! Swedited behavelend Steet or 0.05 1.07 |-0.01 |but Entering Nortals 1 01.05 1.07 |-0.01 |Sermels kneetweet SECAV (n) Javarean Ref. Equity
John Nat Equity
Special Nat Equity
(8) Nat Footy
United States (No Foot 27 L 51.03 51.03 51.03 51.03 01534 012700 C 20078 -000 54 -000 54 -000 54 -000 54 -000 54 -000 54 -000 62 -000 600 600 -000 -000 600 600 -000 DM97 957 Egittles
UK Egysty 552
UK Egysty 552
Japonyen 552
Japonyen 552
Japonyen 552
Japonyen 1644
Japonyen 552
Japonyen 1644
Japonyen 1652
Japonyen 1644
Japonyen 1652
Japonyen 16 I -0.11 I 1-0.001 27 mm 2 mm 6 20 2 mm 2 mm 6 20 3 mm 2 mm 6 20 3 mm 6 20 1 +0.171 14161 14161 1017691 201743 201794 Canadan S 0 1 Carrier

Lamage

Lamage 145.67 -0.60 20.11 +0.18 +0.01 1.71 +0.05 27.087 23.344 21.303 21.112 21 \$2.100 2.20 -1000 4.20 2.40 2.30 -1000 4.20 80.9927 \$0.8356 \$0.846.80 \$0.00 \$0.00 \$0.00 \$0.456 \$0.4564 \$0.4564 \$0.4564 \$0.4564 \$0.4564 \$0.4564 \$0.5665 20 1 011 400 010 400 010 1040 010 GUERNSEY (SIB RECOGNISED) New Silk Road Fund \$10 11 New Silk Build Fut Old Mutual Int Sensor Francisco Control Mayor In 1970 Control Francisco Control Mayor In 1970 Control M 01B34 886682 22 2500 CH 14500 CH 14500 CH 1718 CH 1718 F518 2004 ST 16500 ST 16 LUXEMBOURG (SIB RECOGNISED) \$6.72 ory) Ltd Nikko Capital Maryt (Europe) Ltd New Generation Fd. 20153 20 70 Jon Cap Gelic CB Fd. 911775 11779 Jon Rein Henros Fd. 91857 8742 Rothschild Asset Margant (CI) Ltd Albernat Pend Mingrs Lines
13 rus Sociel L-1237 Lotsuchez
Albernat Pend Mingrs Lines
13 rus Sociel L-1237 Lotsuchez
Albernat Rains Fant
Bennat Cap Porticion.
Lindes Santes Porticion
Colores Bordes
Colores Bordes
Partir Porticion
Gette Porticion
UR. Bennet of Incomp.
Solido Profesto
UR. Bennet of Incomp.
Solido Profesto
UR. Bennet of Incomp.
Solido Profesto
Solido Profesto
UR. Bennet of Incomp. Pee Access Edited Opin strict.
Peek Access Index Opin strict.
Peek Access Index on Peek Access Access To Sender Con Peek Access Francis Franci eni Portiolion (e) 9 00:352 4646461 1.60 = = = | March | Marc 18681 ASSC 200 18680 10586 -0.03 10107 10586 -0.02 10081 10586 -0.12 10081 10586 -0.12 10081 10586 -0.12 10081 10482 -0.075 10144 10677 -0.076 10184 10677 -0.034 10180 10841 -0.034 \$11.470 11.50 -0.18 6.59 \$13.680 14.47 -0.11 5.79 8543,91 -1.561 -21455 26.00 42.00 - 21455 25.00 45.0 RELAND CORRECTIONS TO THE CONTROL OF 01481715454 DA. 465.1 8.74.20 4872.6 53 50.9562 10.000 4000 5.4 54.001 10.000 4000 5.4 54.001 20.000 4000 5.4 54.001 20.000 4000 5.4 54.001 20.000 4000 5.4 54.001 20.000 412 10.00 54.000 5.4 54.000 5 F481.286 482.285 48.000 6.00 \$28.823 26.623 40 40 4.78 \$480.687 66.234 4.18 3.56 £74.733 25.722 4.086 4.82 \$33.544 34.885 4.128 4.52

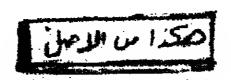
مكذا من الاصل

TEMSDAY APRIL

120

Action of the state of the stat

Sice .



FT MANAGED FUNDS SERVICE ● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details. Man Interrectioned F Advance for Courter Advance for Courter Advance for Franch lat the Advance for Fr OR Short term Max 24...| FF183842.53 | Catalico Investment Massacram #86.18 #85.77 #46.49 #66.04 102.87 91.31 #3.34 Capital Interpolicies Capital int Fied ______ | \$154.15 | +3.73 | \$18.27 \$10.14 |#8취| -0.05 | HS\$11,78 || | Imited 2000年 2000年 ### Parking Finds | Sept. 11 | -1.18 | Const. Const GPN (CT) PACENT SEC Registered Funds GAM Europe GAM Sector GAM Incomplete GAM Incomp Tolge Pae Hitigs IV Leviraged Cap Hitigs IV Asia Pac SD FG IV Anio Spice City Fill Mill. Anion Spice City Fill Mill. Demon City Fill Mill. Demon City Fill Mill. Distriction City Fill Mill. Codest Assect Management Corporations Statement across 1 (at | \$11643.62 | Danis Artifician List Statement Across 1 (at | \$15697.14 | Statement Across 1 (at | acter 37 — Sectional Australia Lib Sectional Sectional Lib Sectional Lib Sectional Lib Sectional Lib Sectiona CMR Insurance Co List Clorical Medical Hee, Dougles LO.M. Shulles Funds 83 Breen Way Gestraefoed Ltd MAY Des 31 ______ | Eq: 1346.27 | __ | Greyshope International White Adu Com Bond HW. S.J. S.A. White Bank (Lowershoerg) S.A. US index For MAY. S10.25 Supplied to May. S10.25 Supplied to May. S10.25 | Section | Sect Chine Printmenton and Color Service Color Se Agricult Frank Band ST.001 CHE val Cutt Band St.001 CHE val Cutt Band St.001 CHE Language For Jacompt Bool Simil. J Milliam Journal Fryphon Boad Frind Ltd (Bernhude) MA Stone Seycholies Fund Lini Noveholies Fund Lini Noveholies Fund Lini Noveholies Fund Lini Jupa Opps Nov Mar 15 Sinitra Fond Lini Regense India 582.770 D3101 - MD007 Crodit Liphonnia Romes (Bermode) Lid Systematic Communication of ST 407 Croscolin Group Promises Forum 1877 25 STOL29 - 0577 Croding Assign February 1877 25 STOL29 - 0577 Croding Assign Humanument Lid Systematic Croding Assign Humanument Lid Syste Micros Global Revestment MG (Series) See Seed. Bod (Series) See Seed. Bod (Series) See Seed. Bod (Series) Seed Value. Bod (Series) Seed Value. Bod (Series) Seed (Series) Bod Acts Vision (of Dans to Co List that are 38. Ching Vision (on Apr 3 ____ That Lay Lay 40% that 22. The Day Clark Control of the Control For Hambres Fune Managers see Indiano (Flagshille) Porticilo & 1997 | \$10.39 | +0.15 | -Resceiberg US Japan Mingest Co SA (n) Instablerg Alpin Peril 66 Japan Perilsko 2: 1007 | \$11.29 | 10.11 \$103.87 Smith Barrier Funds Worldwide Social AV 15 Worldwide Social AV 15 Sociale Asset Manager OTHER OFFSHORE FUNDS Salling Baying +or Yold Price Price - Street Gredit Consumercial de France Baro Soir Cos Gess A. | Four 4.72 | Baro Soir Cos Gess B. | Earl 4.72 | Asia Japan Emerging 815.22190 Fine Annual Indianakan BARROS BERROS Alterials reason among a community of the community of th | STATE | STAT Finding Malaysian Growth Fel (Cayman) Ltd Author Malaysian Growth Fel (Cayman) Ltd Author Shalaysian Growth Fel (Cayman) Ltd Author Shalaysian Growth Fel (Cayman) Ltd Alience Capital Strandown Control Strandown Fel (Cayman) Ltd Alience Capital Strandown Fel (Cayman) Alience Shalays Strandown Strand SCHOOL SA SH1108.13 -10.54 \$17.45 \$17.45 \$17.35 +0.06 +0.06 +0.06 - Ameri He, Sto Emiros, St 59.09 級級 The Juganic Fernd N.V. Novy May 30. Servince Flearning Inch Flexing Distant Was 31. Flexing mbb. | \$561.01 1001.45 Emerging Sent Fox 20 333.6 | -0.47 | Enter Many Sent Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Engigents Inverselyments (An - Caryman Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | -0.27 | Luth And Em Weiter Fox 20 333.6 | Luth And \$17.76 \$17.76 \$17.19 \$12.95 \$2.18 \$9.35 \$8.72 \$11.03 \$10.64 認 ment Co Ltd Platicana Fol Lei Mar 24 ... \$10,04 ... \$10,05 ... Drible Envestrançet Managemennt Lei Drible Garbei Edy ... \$11,650. 17,41 | Drible Gutter Edy ... \$22,06 ... 23,06 | Color Levenuged Edy ... \$22,31 ... 24,66 | Vinitar on the 20 letter Pathol April 8 White Vinitar on the 20 letter Pathol April 8 White Until 19,000 ... (STR 25) ... (STR 25) ... (STR 25) ... Until 19,000 ... (STR 25) ... (STR 25) ... (STR 25) ... Until 19,000 ... (STR 25) ... (STR 25) ... (STR 25) ... Until 20,000 ... (STR 25) ... (STR 25) ... (STR 25) ... Until 20,000 ... (STR 25) ... (STR 25) ... (STR 25) ... United 20,000 ... (STR 25) ... (STR 25) ... (STR 25) ... United 20,000 ... (STR 25) ... (STR 25) ... (STR 25) ... (STR 25) ... United 20,000 ... (STR 25) ... (STR 25) ... (STR 25) ... (STR 25) ... United 20,000 ... (STR 25) ... (S 腦 Ropers Discovery Land Printerging Markety Ltd. In Investment De. 1987. Spring for the Control of Street Armhold and S. Bk

gant little particular fragg

は、「一般のでは、」」

「「一般のでは、「一般のでは、「一般のでは、「一般のでは、「一般のでは、「一般のでは、「一般のでは、「一般のでは、「一般のでは、」」
「「一般のでは、「一般のでは、「一般のでは、「一般のでは、」」
「「一般のでは、「一般のでは、「一般のでは、「一般のでは、」」
「「一般のでは、「一般のでは、「一般のでは、「一般のでは、」」
「「一般のでは、「一般のでは、「一般のでは、」」
「「一般のでは、」」
「「一般のでは、」

Section 1

The second secon

. . . .

LONDON STOCK EXCHANGE

MARKET REPORT

Shares close firmly but attract little business

By Terry Byland, UK Stock Market Editor

The second quarter of the year got off to a somewhat cantious start in the London stock market yesterday, With currency uncertainty continu ing to restrain investment activity. The Footsie 100 Index was unable to regain the 3,150 support level, in spite of clear indications that the Federal Reserve had intervened to support the US currency.

The dollar's fortunes dominated trading, even before the London market reopened after the weekend. The 5 per cent fall in Tokyo stocks overnight increased tensions, as investors looked for the Federal

Reserve to repeat in European mar-kets the support it had apparently given to the dollar in the Far East. At the close, the FT-SE 100 Share Index stood at 3,143.1, well below the best of the day but showing a gain of 5.2 on the session.

Share prices opened lower in London, with domestic political uncertainty also a factor ahead of the local elections, which begin in Scot-

But the dip of 8 points on the Footsie in early trading came on the back of extremely low volume. The big institutions, having mostly made good profits towards the end of the year's first quarter, appeared to be concentrating on holding on to them; there was no willingness to 3,437.6. This appeared to support the view of market strategists that the part with stock.

The stock market soon rallied, led by stock index futures and by an increasingly firm performance from the government bond sector. Little attention was paid to news that Mo money supply had risan by an annual 7.8 per cent in March.

The Footsie moved up steadily for a while, only to fall prey to cur-rency concerns as the US dollar fell to another low against the yen. But signs of further Fed intervention in currencies gave shares a new lease of life towards the close. The FT-SE Mid 250 Index, less

closely involved with currency mar-

UK market was still supported on fundamental valuation arguments, particularly by the strong dividend

But the true picture of the session was disclosed by the woefully thin Seaq total of only 494.2m shares traded, compared with not far short of 700m on Friday, the last day of the first quarter.

A break-down of the Seaq total showed even more clearly how poor business had been among the mar-ket's blue chip stocks. Trading in non-Footsie listed issues made up more than 60 per cent of the day'a kets, held firm to close 2.9 up at total, well above more recent daily kets closely overnight.

fone's growth potential: "much

of the growth is coming from

the government is to hring for-

ward a parliamentary bill in

the next aession to set the

framework for regulating digi-

tal television and tackle issues

such as cross-media ownership.

The market hopes that rules,

preventing newspaper publishers holding more than 20 per

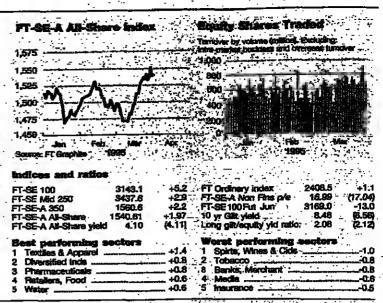
cent of commercial television

and radio stations, may be

averages.

Against this backcloth, strategists were hesitant about reading too much into the market's performance. The international, dollar-orientated stocks mostly closed firmer but little interest was shown in the domestic interest-related issues.

The renewed bout of intervention in support of the US dollar by the Federal Reserve is expected to hearten confidence in the blue chip sectors but market traders have heen noticeably unwilling to believe that currency intervention alone can reverse currency trends. London stock market investors will watch Far Eastern currency mar-



FUTURES AND OPTIONS

IN FT-SE 100 DIDEX PUTURES (LIFFE) \$25 per full index point

Glaxo firm on **US** move

Positive fundamental news gave a lift to Glaxo, shortly to become the world's biggest pharmaceuticals company. It offset a sell recommendation from one leading securities house and the shares gained 5

to 711p. Glaxo announced it had received an "approvable" letter from the US Food and Drug Administration for the tablet version of its Imitrex anti-mi-

graine treatment. The long-awaited letter, seen as clearing up a couple of minor details before final approval is granted, could herald a significant boost for Glaxo. Mr Paul Woodhouse of Smith New Court believes sales of Imitrex tablets might boost current US turnover of £175m by as much as £500m over the next two or three

However, it is unlikely that analysts will be adjusting forecasts as most are awaiting details of the rationalisation that will follow Glaxo's take-

After the market closed, there was an announcement that legal action challenging the validity of Glaxo's Form 2 Zantac patent in Germany by Ratiopharm, a German generics company, had been withdrawn. Glaxo shares have risen more than 100p since the end of January and UBS was saying that it was time to switch holdings into SmithKline Bee- company, hought a 10.5 per

cham. SmithKline, hard hit by profit-taking over the past week, responded to the UBS comment and the A shares bounced 5 to 483p.

C&W strong

Another outstanding showing from Cable & Wireless saw the shares take second position in the FT-SE 100 performance league, with the stock price climbing 7 more to 395p after higher than usual turnover of

Along with its UK telecoms competitors, C & W delivered new subscriber figures for Mercury One-2-One, its joint venture with US West. Dealers said the 55 000 new costomers were in line with analysts fore-

But the real driving force behind the latest rise in the share price came from renewed speculation that a potential buyer of the company could be

waiting in the wings.

A report in the UK press at the weekend had suggested that AT & T of the US could be considering taking a substantial stake in Mercury, C & W's telecoms division.

Some analysts insist that C & W is one of the few viable takeover targets among the world's telecoms groups; "It's simply not big enough to compete with the big boys," said one telecoms analyst. "On a sum of the parts valuation, the company is worth 600p a

He pointed out that probably the only country in which a deal involving a hid for a tele coms giant could be carried out would be the UK. Vaba, the German industrial hoiding cent stake in C & W earlier tious on the stock and Voda-

Vodafone busy A spate of new connection

figures from the UK's cellular telephone companies triggered plenty of switching and general activity in the sector with as the most favoured.

first quarter gross connections of 310,000 and net new connections of over 180,000, confirming its number one spot in the cellular phones business in the

end of the range of analysts' forecasts and helped dispel some of the recent worries in the market, which have focused on a high and growing 'churn" rate in the sector. Some analysts remained cau- relaxed under the new legisla-

	Apr 3	Mar 31	Mor 30	Mar 29	Mar 28	Yr ago	High	Low
Ordinary Share	2408.5	2407.4	2433.6	2405.9	2395.4	2472.9	2433.B	2238.3
Ord, div. yield	4,39	4,40	4.35	4,39	4.42	3.77	4.86	4.35
P/E ratio net	16.57	16,60	16.84	18.66	16.57	21.07	18.04	16,57
P/E ratio nil	16.48	18,48	1266	16,48	16.39	21.94	17.28	15.77
For 1985, Ordinary FY Ordinary Share I	Share Ind	dete 1/7/	ompiation 35.	thigh 271	3.5 2/02/9	4; low 49 4	26/6/40	

	Water of	MET 21	lurar an	MUE ZO	MAE ZO	11 890
SEAQ bargains	37,309	35,176	40,088	34,820	35,707	43,188
Equity turnover Comit		1491.5	2185.6	1831.5	1443.7	2035.4
Equity bargainst	-	49,095	58,212	48,800	45,864	53,707
Shares traded (milit		680.4	923.0	796.8	687.2	884.2
Extuding Intra-merket but	-					

Rises and to	die'	1995 Highs and	lows	LIFFE Equity option	MS.
Total Rises	705	Total Highs	131	Total contracts	14,349
Total Falls	627	Total Lows	148	Cells	6.253
Sorties.	1,533			Puts	8.096

edged up to 925p. Several television stocks jumped on a press report that

Vodafone once again emerging Vodafone shares edged up 2 to 2001/2p, on heavy turnover of 8.6m, after the group revealed

The figures were at the top

FINANCIAL TIMES EQUITY INDICES

	Mr. o	MMCE (21	MAI 30	MON CO	MNG ZU	/· —y-		
Ordinary Share	2408.5	2407.4	2433.6	2405.9	2395.4	2472.9	2433.8	2238.3
Ord, div. yield	4,39	4.40	4.35	4.39	4.42	3.77	4.86	4.35
P/E ratio net	16.57	16,60	16.84	18.66	16.57	21.07	18.04	16.57
P/E ratio nil	16.48	16,48	1266	16,48	16.39	21.94	17.28	15.77
For 1995, Ordney FT Ordney Share is	Share Indi	date 1/7/	ompiation 35.	high 271	3.6 2/02/94	i; low 49 4	26/6/40	

Open	arm.	1000	1120	1200	I	1-44	13.00	1800	Laffer	
2405.1	2402.1	2405.1	2412 <i>A</i>	2412.9	2412.0	2410.0	2408.0	2408.5	2413.5	2401.5
			Apr 3	Man	31	Mar 30	Mar 2	9 M	er 28	Yr ego
SEAQ b			37,30		.176	40,088			5,707	43,188
Equity in	MINOVE	(COM)IT		- 14	91.5	2185.6	1831	.5 1	443,7	2035.4

•	Equity bargainst	-	49,095	58,212	48,800	45,864	53,707
	Shares traded (milit		680.4	923.0	796.8	687.2	884.2
	(Excluding Intra-merket bur	miness end ov	eranas burno	rer.			
	E London market	data					
	Dinon and dollar	100c 1	Koha ond	la-	LECOR SA	Ju anthon	_

FT CONFERENCES

RKETING PROFESSIONAL SERVICES '85 on, 19 & 20 April 1995

onel Markeding International bring together an internationally ading edge passificance to provide practical guidance in getting skills and client awareness. The first day is devoted to an res and Pho are nobe pribated bins afreques to queenal be through to the actual calls. Highlights of the second day include a debate on the findings of an exclusive benchmarking sturvey to establish best practice in client development workwide reflections from Sir Bryan Cardway of the Office of Fair Trading on a decade of deregulation in the processions. The Congress concludes with a direver and presentation of the proestigious FT/Professional Marketing Awards.

THE EUROPEAN WATER INDUSTRY ondors 24 & 25 April 1985

London, 24 & 25 April 1985
At a time whan many UK and EC compenies are seeking opportunities in treet meriods, the sight conference in the Principal Times Water Industry sortes will also consider the cool challenge of meeting EC quality yardeticles and the increasing need to put figures on environmental casts. Speciers include Air land E flyats, Ower Air Natholis Hood CEE, Wessers Water Pic, Mr Time Yea MP, Former Minister for the Environment and Countryste, UK Air O Grant Lavenco, European Commission; Mr Antonio M Tavelra, BIDACUA, and, Former Secretary of State for Natural Resources, Portuget, Mr Chris Mellor, Anglian Weter Pic, Dr John Brady, Northumbater Water Group Pic, Dr Johan Bastin, EBRD. Mr Jornes F Mertin, International Phenois Corporation; Mr Nicholas 8 Parker, Coopeas & Lybrand; Mr David Kinnersley, author of Conning Clear, The Politics of Water and the Environment, Mis Brower Maddon, Financial Times; Mr Christian Gregorie, Benque Nationale de Paris; Or Cloter Helm, OXISTA: Dr John W Sanidra, University of Absendess and Mr Paul E Wholen, Pannel Kerr Forster.

FT-CITY COURSE

This course provides those working in the City or serving the financial world with a broader understanding of all aspects of the operations of the City of London and this factors that make it a pre-enthrold fluorated and tracing oceans.

SOUTH AFFIICA - A NEW ERA FOR BUSINESS, FINANCE AND INVESTMENT

SOUTH AFFECT A NEW TEA FOR BUSINESS, FINANCE AND INVESTMENT Cape Town, 2 & 3 Mey 1995
This major FT conference will review the policies and programmes of the government of national unity as it enters its second year of office and assess business, finance and investment prospects. Speakors include: Mr Adec Sirvin Mr). Deputy Minister of Frumos; Mr Jay Noldon, Minister without Portiolio in the Office of the President; Mr Trevor Menunti MP, Minister of Trade and Industry; Mr Boldde Botha. General Manager, Human Resources, AECI Ltd; Mr Euran Macolomaid, Vice Chahman, SG Wantung & Cor, Dr Anton Modinson, Martaging Director, Transmel Ltd; Mr Berrand Millano, Pastner, KPMG Post Manwick LLP; Ms Mertanna Hay, Executive Director, Morgan Stanley Asset Monegoment and Mr Johann Treumicht, Sentor General Manager, Sentem.

ASIAN ELECTRICITY

ASIAN ELECTRICITY
Hintig Kong, 22 & 23 likey 1985
The louth Filt-Power in Asia meeting will focus on electricity restructuring policies and programmes in the Asia-Pacific region, review developments in China's power sector and examine the growth of IPPs in Asia. Speakers Include: Mr Gunto Delgado, National Power Corporation: Dr Plysewept Ammanand, National Energy Policy Council, Thelland; Mr Bernie Lesy, Beckriety Spekry Association of New Zeeland; Mr Philip Tose, Persignia Investments Hotchings; Dato' Francis Yeel Sock Ping, YTL and Mr Gramban Header, Executive Detector and Mensuging Director, Nathal Power PLC and the Hon Dail Riyong, President, Belling BOT Investment & Developments has agreed, a principle, to talk about BOT projects in China. THE CZECH REPUBLIC: BEYOND PRIVATISATION - NEW BUSINESS CHALLENGES AND

OPPORTUNITIES
Prague, 6 & 7 June 1985
As the second wave of the

Pregain, o. & 7 June 1995
As the second velor of the mass privatisation nears completion and with convertibility of the Konum.
now firmly on the legislative agende, this Financial Three conference, arranged in association with
The Bohemes Foundation, will provide an opportunity to exemine the tronder implications of these
developments for the Casch according for foreign investigent. Utilities privatively the production of these
opportunities emerging from the forthcoming restructuring of the energy sector will also be
decussed. Specifican include Dr Vladimir Dioutly, Minister of Trade and Industry of the Casch
Republic; Mr Pavel Kavánsk, Caskoslovenská Obchodní Banka; Str Frank Lampi, Bovis
Construction Group; Dr Zdenok Drabek, World Trade Organisation; Mr Zdenok Bakala, Patria
Financa, a.g., Mr Nigel P Williams, Credinstalt Investigent Casch (Schriel Elchier, CEZ, a.s., Mr
Robert Cheberg, Power International; Mr No Lurvink, CS First Boston (Pratval, a.s.; Mr Richard
Wood, Wood & Co Securities, s.r.o. and Mr Deniel J Arbess, While & Case.

TRANSCRIST IN EUROPE: TOWARDES 1999.

TRANSPORT IN EUROPE: TOWARDS 2020

London, 9 & 9 June 1995
One of the few transport conferences that looks at the sector as a whole, this highly regarded armusi event focuses this year on the future for millin general, Eritain's processing mill privatisation process in perficular, and on the efforts being made to resolve traffic problems, and the part temport (and transport infrastructure) plays in the developing tensions between economic growth and preservation of the environment. A distinguished panel of international species a includes Mr Neil Kinnock, European Commissioner for Transport.

LEBANON TOWARDS 2000 - OPPORTUNITIES FOR FINANCE AND RIVESTMENT IN A RE-

BERUT, & & 9 June 1995 BERRUF, a a vicine team of speakers will exemine opportunities for investment both in the physical reconstruction of the war-fore infrastructure of the Lebarran, and in the treatming of reconstruction teams and in the treatming of reconstruction teams and interest investments. Economic prospects for the Lebarran against a background of growing regional and intermetional competition for regulat with stop in discussed. Knynote address from the Prime Minister of the Republic of Lebarran, Mr Regis Harris.

TELECOMMUNICATIONS IN ASIA-PACETO

TELECOMMUNICATIONS IN ASSA-PACIFIC
Hong Kong, 16 & 16 June 1995
Issues to be addressed at the second conference in this series on the dynamic Asia-Pacific
telecommunications sector instacts. Pseudoting converging exchangles and fiberasisation; the
drattenges scang state telecommunications companies in the region; investment prospects for
international network operations; development of mobile communications, funding for expensions.
Specificars include Mr Linus Cheung, Hongtong Telecom. Mr Net Tuckwell, AUSTEL; Or
Andrew-tenthigton, Satomon Brothers Hong Kong Limited; Mr Setyant D Santones, PT Telecom
Indonesis; Mr Michael J Heath, NYAEX Network Systems Company; Mr Stove Burdon, BT Asia
Pacific; Me Bold Medispop. US WEST International Bank Lix; Dr Judich O CYNell, Rext & Priest LIP and
Mr Adam Culnion, Mentil Lynch International Bank Lix; Dr Judich O CYNell, Rext & Priest LIP and
Mr Partil Johansson, Motorols.

WORLD GOLD CONFERENCE

Lugano, 19 & 20 June 1995
Authorisative spealers from North America, Europe, Ainca and the Asta-Pacific Region will address
this year's meeting, sharing their views on driving forces in the market; aupply and demand
trandsglobal opportunities and new initiatives in gold. Speakers will include Mr Urs W Saler,
Union Bank of Switzerland: Mr Romald Cambre, Newmant Mining Corporation; Mr Seam Jones,
Asham/Goldialds Company Limited; Mr Cambre, Newmant Mining Corporation; Mr Seam Jones,
Asham/Goldialds Company Limited; Mr Cay Manuel, Normandy Possition Limited; Ms Jesek,
Cross, Crosswords Research and Consulting, Mr Frank Arlsman, JP Morgan & Co Inc and Mr I
Jeffforthma, World Gold Council Ltd and Ltd.

All enquiries should be addressed to: Financial Times Conterences. P O Box 3851, London SW12 8PH, UK,

MARGINED FOREIGN **EXCHANGE TRADING** Fast, Competitive Quotes 24 Hours Tel: +44 71 815 0400 Fax: +44 71 319 3919

INVESTORS - TRADERS - CORPORATE TREASURERS SATQUOTE™ - Your single service for real time quotes. Futures * Options * Stocks * Forex * News * Via Satellite LONDON +71 329 3377 LONDON +71 329 3377 NEW YORK +213 2694 696 FRANKFURT +649 440971

FUTURES &OPTIONS P WE AN EFFICIENT

BERKELEY FUTURES LIMITED 38 DOVER STREET, LONDON WIX SRB TEL: 0171 629 1133 FAX: 0171 495 0022

YOUR PERSONAL REUTERS FINANCIAL REPORTER Currencies, Futures, indices and the latest news updates; Futures Pager keeps you in touch with the markets 24 hrs a day. FOR YOUR FREE 10 DAY TRIAL FREEPHONE 0500 800 456 TODAY FUTURES PAGER



CMS FutureView Real-time worldwide coverage of Futurae/Option prices. Softs, Agricultural, Financial, Energy, Metals, FX, Naws, Charting, PC windows system combining eace of use with accuracy & speed, in one value for money peologie. Available in the UK and Europe via satellile.

Pallarket-Eye FREEPHONE 0800 321 321 FAX 8171 398 1001 WANT TO KNOW A SECRET?

The LD.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase your profits and contain your losses. How? That's the secret.

Book your FREE place. Phone 0171 588 5858.

24HR F 0171-865 0800

TREND ANALYSIS LTD Beily Analysis & Trading Recommendations by Fax FOREX · METALS · BONDS · COMMODITIES For FREE TRIAL Phone 01962 879764
Fex 01424 774067



FORT

SOVEREIGN (FOREX) LIMITED 24 HOUR MARGIN TRADING FACILITY COMPETITIVE PRICES DAILY FAX SERVICE Tel: 0171 - 931 9188 Fax: 0171 - 931 7114 42s Buckingham Palace Rd, Loudon SWIW ORE

Yorkshire gained 27 to 437p, Scottish 21 to 458p and Ulster

lower user subscribers, which means smaller profita," said Market talk that a number of one telecoms specialist.
Cellnet, the joint venture downgrades in Commercial Union, the composite insurer, are in the pipeline, triggered some sizeable selling pressure in the shares, with additional between BT and the Securicor group, also announced good rises in first quarter connections, with its subscriber base weakness prompted by aggresrising by over 172,000. BT sive huying by one broker of shares eased a penny to 390p, the 500p puts in the options while Securicor "A" shares market

Royal Bank of Scotland dipped 4 to 402p after a broker recommendation to switch out of the stock and into either Abbey National, up 11/4 to 472p.

or Barclays, 623p.

SG Warburg dropped 12 to 705p after e big block of shares was bought at 697p and quickly

sold into the market at 700p. Kleinwort Benson, long viewed as one of the market's most likely takeover targets and where a bid from Dresdner is still seen as on the cards dropped 20 to 627p.

Press reports suggesting that Charles Schwab, the US brokerage, will bid around 230p a share for the company very soon, sew ShareLink Investment Services close 12 ahead Govett, the investment man-

agement group, jumped 26 to 285p, as the market reacted to news that the group has received bids for its fund management businesses in London and San Francisco. Smith & Nephew was steady

at 168p after saying it had acquired Basel, an Italian bandage and dressings company for £3m including assumed Zeneca lifted 5 to 875p. Its

agrochemicals unit said it was developing plans to invest £30m to £40m in a new herbicide plant at its site at Hud-Courtaulds Textiles gained

10 to 471p after announcing it had sold its UK lingerie business, Contessa (Ladieswear), to Facia, a UK retail groop which

80 BIVESTMENT TRUSTS(138)

89 FT-SE-A ALL-SHARE(815)

bought Salisburys stores from UK jewellery retailer Signet last year. Contessa had operat ing capital of £5m, as at March

31 1995. Laporte, the speciality chemleals company, eased 3 to 674p after it announced the acquisition of Mapico, a pigmenta manufacturer based in St

Louis, Missouri for \$41m. Shares in high street retailer Boots gave up 4½ to 504½p in trade of 2.7m, after ABN Amro-Hoare Govett advised investors to sell the stock.

Shares in Highland Distilleries, the whisky producer, tumbled 26 to 357p, as brokers downgraded profit expectations, following a disappointing set of interim figures.
Allied Domecq improved 9 to

+13.0 - 3179.0 3162.0 6768 67317 3183.0 2169.0 +13.0 3793.0 3223.0 +130 THE FT-BE MED 250 INDEX FUTURES (LIFTS) \$10 per full Index point -1.0 3455.0 IN FT-SE 100 INDEX OPTION (LIFFE) ('3143) 210 per full index point IN EURO STYLE FT-SE 100 MIDEX OPTION (LIFTE) \$10 per full Index point 2875 3025 3075 3125 3175 3225 3275 3295
182 3 185¹/₂ 5¹/₂ 92 12¹/₂ 38 25 28¹/₂ 48¹/₂ 13 53 4¹/₂ 124 1¹/₂ 171
286¹/₂ 12 185¹/₂ 20 128¹/₂ 31 87 47¹/₂ 68¹/₂ 68¹/₂ 87¹/₂ 88¹/₂ 132 132 13 37¹/₂
218 24¹/₂ 177 35 141 48 109¹/₂ 68 8¹/₂ 67¹/₂ 88¹/₂ 113¹/₂ 38¹/₂ 144 25 179
228¹/₂ 68¹/₂ 164 38 1 10 14 1 88¹/₂ 185¹/₂ 216 25¹/₂ 214 120¹/₂ 188¹/₂ 182¹/₂ 114 221¹/₂ Calls 1,254 Puls \$42 " Under † Lung detail marky teenths.

Sett price . Change ... High Low."

150	ф	(2m) 514.1 18.0	19 High 167	LOW	Stock	price	+	Net		G ₁₃	
150 5128	F.P. F.P.	514.1			SECK						-
5128	F.P.		167						COV.		η
§128	F.P.	18,0		154	Albright & Wilson	164		P6.0			1
§128					Beats	176	4	H5.9	•	4.2	
\$128	F.P.	3.81			Brit Aerospace Uts	128		-	-		
		36.5			Collegues	161		-	_	_	
§130	F.P.	15.6			Dailywin	130		Pr/6.0	22	58	
	F.P.	45.7			Detrontech	138		-	•	-	1
175		-	179	1702	Expro Ing	1712		WAS.0	3.3	-	
100	F.P.	29.9	101	26,25	Geered Inc Inv C	9912		-			
§135					Golden Rose	116		-	-	· -	•
100		161.6	101	95	HTR Inc Gut Sp Inc	101		_	-	_	
198		94.5	105		Do. Zero Div Pf	105		-	_	-	
-	F.P.	8.91	20	17	key Cap Warrents	18	-1	′ -	-		
-	F.P.	21.8	87	B3	hrw Tat of kny Tata	84		-	-	-	
-	F.P.	2.91	59	55	Do. Warrents	56		-		-	
-	F.P.	0.36	5	3	Meirose Warrants	312		-	·-	-	
100	€₽.	23.8	96	90	Montangeo LK Sm	95					
-	F.P.	. 215	48	43	Do. Warrants .	43		-	-	_	
476	170	6,031,8	193	15812	"Nati Power (P/P)	16412	+,5	P15.45	2.5	4.1	1
80	F.P.	17.5	62	80	PTS	22		13.6	1.9	4.9	1
512	185	4,007.4		1761 ₂	"PowerGen (P/P)	18912	واس	F16.0	2.2	3.7	1
	F.P.	91.7			Schroder I G Uts	616	-	~	•		
100	F.P.	22.6			Scott Or Smir Cos	.9512	:		-		
	F.P.	1,94		39	Do. Warranta	.41		-	-		٠
		3.26			Supertrane	42		PM2.0	1.6	60	1
-	F.P.	0.04			Do. Warrants	6		-	-		•
	F.P.	24.5			Throng LX Zero Pf	103	•	_	· -	-	
	F.P.	62.7			Zotelowes	173	-2	WW4.65	2.1	94	1

FT GOLD MINES INDEX Mar % chy Mar Mar Year Gross die 102 week. 31 oo day 30 28 ago ylaki % filigik Low 1020 82 474 1985 84 1818 90 2096 44 - 224 - 2387 86 1887 91 Good Miles Index (34)

5.02 . 3711.87 2304.45 2728.86 +6.3 - 2567.60 2556.30 2654.96 Atrica (15) 2112.78 +6.0 1992.05 1986.02 247.5.44 1,99 2951.46 1736.20 1875.16 +1.5 1849.96 1584.90 1830.18 0.78 1911.21 1346.16 North Acteriate (71) and Times (Limited 1975, † Partiel, reminister of companions, Basis US Dollars, Basis Values: 1000,00 \$1/12/82.

FT SE Actuaries S	nare In	dices							he t	JK S	eries
	Apr 3	Day's chack	Mar 31	Mer 30	Mar 29	Year	Div. yield%	Net	P/E ratio	Xd adj.	Total Return
FT-SE 100	3143.1	+0.2	3137.8	3178.2	3142.3		4.34	1.89	15.25	47.99	-1218.81
FT-SE Mid 250	3437.6	+0.1		3438.6			3.74	1.84			1307.15
FT-SE Mid 250 ex inv Trusts	3449.3	+0.1	3445.5	3445.0	3430.0	3776.5	3.88	1,90	16.92	31.90	1309,88
FT-BE-A 350	1560.E	+0.1		1573.5		1570.4	4.20	1,66			1236.60
FT-SE-A 360 Higher Yield	1574.1	+0.2		1588.4			5,17	1.71		2B.27	1028.22
FT-SE-A 350 Lower Yield	1547.0			1558.2			3.08	2.22		14.51	1029.74
FT-SE SmallCap	1715.60			1715.66			3.52	1.53		16.31	1953.85
FT-SE SmattCop ax Inv Trusts FT-SE-A ALL-SHARE	1694.54 1540.61			1552.46			3.74 4.15	1.60		16.17	1341.75 1241.04
FT-SE Actuaries Ali-		, ==-							.—.		
		Day's				Year	Div.	Net		Xd act.	
	Apr 3			Mar 30		ago	yield%	cover	ratio	yld	Return
10 MINERAL EXTRACTION(24)	2715.03	+0.3		2734,35			3.79	1,74		50.75	1117.10
12 Extractive Industries(7)	3680.12			3570.83			3.82	1.95		91.07	1041.86
15 Oil, Integrated(3) 18 Oil Exploration & Prod(14)	2701.65			2725.75			3.92	1.79		47.88	1135.69
	7955.24	_		1974.38			2.52	0.43	80.001		1150.34
20 GEN PADUSTRIALS(279)	1654.27			1854.66			4.24	1.61		22.33	905.59
21 Building & Construction(38) 22 Building Matts & Merchs(31)	962.48			958.07			4.13	1.85		11.81	769.52
23 Chemicals(22)	1745.49 2210.84			1753.94 2231.73			4.30 4.26	1.67	17.38	12.85 30.98	836.86 1002.27
24 Diversified Industrials(16)	1820.32			1820.39			5.24	1.44	16.60		.961.23
25 Electronic & Elect Equip(37)	1959.07			1984.24			3.72	1.92	17.48		972.37
26 Engineering(72)	1797.DB			1791.48			3.43	1,88		17.67	1046.36
27 Engineering, Vehicles(13)	2182.47			2172.57			4.18	0.76	39.30		-1082.40
20 Paper, Polog & Printing(27)	2794.45			2781,82			3.42	2.27	16.12		1120.66
29 Textites & Apparei(21)	1550.77			1522.60			4.51	1.26	21.86	8.40	893.06
30 CONSUMER GOODS(84)	2957.99	+0.1	2954.87	2989.14	2963.14	2699.47	4.38	1.58	16.10		1045.89
31 Brewaries(18)	2254.22			2250.88			4.25	2.00	14.72		1092.77
32 Spirits, Wines & Ciders(10)	2697.39			2730.35			4.30	1.83	75.87		930.43
39 Food Producers(24) 34 Household Goods(10)	2420.24			2423.89			4.17	1.91	15.87		1047,48
36 Health Care(18)	2451.59 1584.02			2490.23 1883.46			3.78	1.05	38.50	49.64 6.14	906.09
37 Pharmaceuticals(12)	3677.73			3724.62			4.21	1.20			.1196.17
38 Tobecco(2)	3643.93			3750.78			6.22	1.63			. 802.43
40 SERVICES(230)	1917.58	-0.1	1919.31	1928.77	1909.56	2014.88	3.36	2.10		15.94	968.50
41 Distributors(32)	2329.14			2338.25			4.06	1.92		39.17	827.77
42 Laisure & Hotele(29)	2162.34	+0.5	2151.77	2140.06	2125.80	2212.94	3.54	1.53	23.02	28.56	1087.02
43 Media(43)	2801.59			2843.90			2.75	2.26		34,30	967.59
44 Retailers, Food(15)	1870.09			1868.90			3.53	2.51	14.10	4.43	1131.36
45 Retailers, General(44) 48 Support Services(38)	1607,01			1629.57			3.39	216	17.06	6.76	878.48
49 Transport(21)	1475 44 2221,18			1480.85 2227.96			2.96 3.87	1.91	16.90	10.06	909.85
51 Other Services & Business(7)	1197.03			1184.55			3.79	1.17		10.90	1048.18
BO UTILITIES(S7)	2254.80			2280.72			4.82	2.03	12.79	6.85	868.40
62 Electricity(17)	2081.41			2085.51			4.91	2.67	9.54		890.75
64 Gas Distribution(2)	1902.28			1954.95			6.30	1.15	17.21	0.00	893.48
66 Telecommunications(5)	2001.92	+0.3	1995.64	2039.96	2017.01	2037.41	4.06	1.69	18.15	0.13	866.89
68 Water(13)	1799,29	+0.8	1789.38	1779.24	1758.67	1850.24	8_58	2.74	8.20	4.82	917.48
69 NON-FRIANCIALS(864)	1683.98	+0.2	1661.00	1674.96	1659.20	1657.92	4.10	1.79	16.99	19.33	1202.61
70 FENANCIALB(118)	2215.80		2216.90	2243,19	2225.89	2211.22	4.77	2.23	11.75	54.56	907.25
71 Banks, Patrill(9)	2950,15			2982.21			4.65	2.78	9.68	86.08	915.67
72 Banks, Merchants) 73 Insurance(26)	3649,97			3077.98			. 3.80	2.49			935.10
74 Life Assurance(8)	1212.89			1242.04			5.84	1,05			862.79
77 Other Pinenciel(23)	2479.03 1920.58			2487.36			5,45 4.01	1.52 2.22	17.34		991,79
79 Property(45)	1377,55			1918.47 1385.08			4.38	1.18	18.99		804.27
80 BIVESTMENT TRUSTSH38	2500 10		107 \$400				0.45	1.02	50.00		894 04

___ 969.10 966.24 955.58 _ 3.10 1.03 39.04 7.64 986.59 _ 956.79 955.20 952.73 _ 3.28 1.05 36.39 8.01, 964.47 FT-SE-A Fledgling FT-SE-A Fledgling ex inv Trusts ■ Hourly movements Open 8.00 10.00 11.00 12.00 13.00 14.00 15.00 16.10 High/day Low/day
 3134.2
 3131.1
 3197.1
 3146.5
 3147.2
 3146.1
 3148.6
 3143.4
 3143.0
 3148.9
 3129.6

 3427.9
 3427.8
 3431.0
 3436.3
 3432.2
 3438.8
 3436.0
 3436.4
 3437.2
 3439.0
 3427.3

 1556.2
 1555.0
 1557.7
 1661.8
 1562.3
 1561.9
 1562.1
 1560.8
 1560.8
 1562.9
 1654.4
 FT-SE-MM 250 FT-SE-A 350 Time of FT-86 180 Day's high: 3,28pm Day's low: 8,50am, FT-55 100 1985 High: 3178.2 (805) Low: 2964.2 (23/1) FT-SE Actuaries 350 industry baskets Open 8.00 10.00 11.00 12.00 13.00 14.00 15.00 16.10 Clase Previous Change
 941.8
 842.0
 943.3
 943.8
 846.6
 947.3
 947.3
 947.3
 947.2
 947.8
 944.9

 9519.9
 3619.1
 3633.2
 3646.3
 3646.3
 3646.3
 3646.3
 3646.3
 3646.2
 3644.2
 3644.9
 3647.7
 3616.0

 1783.1
 1782.7
 1786.0
 1794.4
 1791.8
 1793.9
 1793.7
 1793.3
 1793.1
 1792.2
 1781.9

 2917.2
 2917.5
 2984.5
 2985.9
 2988.1
 2983.1
 2984.3
 2986.4
 2985.4
 2985.8
 2985.3

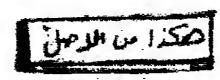
2599.19 -0.2 2605.22 2627.71 2610.99 2781.52 2.45 1.02 50.02 18.65 884.94

1540.61 +0.1 1538.64 1552.46 1538.43 1561.97 4.18 1.86 16.21 20.89 1241.04

Additional Information on the FT-SE Accusives there indices is published in Seauchty Issues. Lists of constituents are available from the Picerclef Times Limited. One Southwark Bridge, London SE 68-L. The FT-SE Accusive State Indices Sandos, which covers a range of electronic and paper-based productorsisting to mose indices, is avoistible from FT/SETAT, Fibrory House, 13-17 Episcrift Street, 1992. FT-SE Advantees ST0 and the PT-SE Accusives Indiges The FT-SE FM 250, FT-SE Advantees ST0 and the PT-SE Accusives Indiges to complete by the international Stock Exchange of the United Mingdowl and Paperbillo of helically of Accusives Advantage Al-Steep Indige is complete by The Financial Times Limited, both in conjunction with the healized of Accusives and the Financial Accusives under a standard set of ground of The International Stock Exchange of the United Kingdow and Republic of International Stock Exchange of the United Kingdow and Republic of International Stock Exchange of the United Kingdow and Republic of International Stock Exchange and The Financial Times Limited. The FT-SE Accusives Stock Exchange and The Financial Times Limited. The FT-SE Accusives Stock Inchange and Australia Accusives and a visual to The United Accusives and Environment.

Vol. Cloudog Day's 000s price change . 44 1,900
1,900
1,900
1,900
2,200
2,200
2,200
4,100
2,200
4,100
3,200
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500
2,500

TT/ESDAY APRIL



Trade	FINANCIAL TIMES TUESDAY APRIL 4 1995 *		. 41
	+/- High Low Yid P/E	WORLD STOCK MARKETS	+/- Migh Low Yis P/E Sules +/- Migh Low
	EUROPE ###################################		
	Fig.	118.0 + 1.0 128.0 117.0 1	### Ming
A STATE OF THE STA	BEI BD 1.256 +2 1.268 1.200 2.5 Final 1.766 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.100 -2.100 5.600 1.1000 5.600 1.1000 5.600 5.600 5.6	### 1 201 1	Ampying 7.06 -35 7.56 6.25 3.8 0.5 7.25 6.25 6.25 7.25 6.25 7.25 6.25 7.25
	Mounts 174.00 +1.00 1.00 1.00 1.00 1.00 1.00 1.00	2.880 +10 2.897 2.350 58/4 459 466 457 58/4 52 58/4 58/	Magent 20 96 48.20 15.0 Tilland Libert 226 5127 127 127 128 128 128 128 128 128 128 128 128 128
editorili ette eri Chica di Cardinali di Propinsi di Cardinali di Card	Personal P	### PACIFIC #################################	1966
His handled proparity and held and	Principal 2013 - 901 905 22 Linker 2014 1 2015 2	1.577 1.586 1.58	Small 7.70
	2018 42.50 + 50 53.00 40.50 2.3	120.5 120.54 120.54 120.5 14	17.00
	Defending 1969-5 1908.5 1884.5 1821.20 17/8 1625.30 8/2	1801.63 247 1801.63 242 1801.63 243 243 1801.63 24	Press 22.50
	### 125.19 122.30 129.27 129.25 5/1 1183.14 10.8	E.08 5/1 472.97 23/1 WYSE Comp. 271.04 271.83 271.54 271.52 281.73 271.52 271.5	27.00
	Texas Sci31/12400 828.23 824.60 519.31 886.22 41 520.23 283 8867.93 231 Technology (14457) 866.22 824.00 6514.45 712 886.03 825.53 825.63 825.53 825.63 825.53 825.63 825.	10.2 10.2 122.4 13.5 Set Motor 3.385,700 75% +1% Unchanged 727 E2 837 Orbit 1.35 -1.6 1.26 1.61 1.26 1.61 1.26 1.26 - 1.62 1.26 1.26 1.26 1.26 1.26 1.26 1.26	(1984 69.58tal 1976 - 44 490 800 1-3 - 1985
	1920.00 1943.00	Jun 15700.0 15490.0 -690.0 15740.0 1520.0 39,834 125,825 8,859 +.02 2.88 2.7 7.5 2.8 8.7 8.7 8.7 8.7 8.7 8.7 8.7 8.7 8.7 8	sing Change Stocks Closing Change
•	Mercedes insurance k Mrs H.A. aged 37, Herifordshire. M reg Mercedes C180. Renewal Premium £509.	balled by The Royal East, of Scribted pic. Lines ore age the related by The Royal East, or Scribted pic. Lines ore age the related by The Royal East, or Scribbed pic. Lines ore age the related by The Royal East, or Scribbed pic. Sumitorino Const	Traded Prices On day

.

Fig. 3% LA Gear
40% 55% LS 16 Se Se 5% 56% LS 16 Se Se 5% 56% LS 16 Se Se 5% 56% LS 16 Se 5% 56% LS 16 Se 5% 56% LS 16 Se 5% LS 16 Se 5% 16% LS 16 Se 5% LS 16 SE 16 SE

2514 257s Gan Instr 312 2 Genesius SI 61s 44s Genesius SI 61s 44s Genesius SI 61s 47s Genesius SI 61s 71s Graph Graph 7.72 144 127s Genesius SI 12 104s Genesius Fel 14 127s Genesius Fel 14 127s Genesius Fel 14 127s Gant Beh 61s 71s Glant Gov 61s 75s Glant Beh 61s 71s Glant Gov 61s 75s Glant Gov 61s 61s Glant Gov 61s 61

- D -

4 pm close Aoni 3

GUEST.

Æ

ARABELLA GRAND HOTEL FRANKFURT AM MAIN

When you stay with us in FRANKFURT stay in louch -

| The color of the

+13 -148 +1414 +142 - 3244444 - 142444 - 14

201₂ 201₄ DPI, Heldig 181₂ 15 Dates Sen 20 211₄ Dates Sen 20 211₄ Dates Sen 215₁ 125₂ Dates Ind 111₄ 93₅ Dates Ind 111₆ 93₆ 93₆ Date 24, 21, FAI insur
144, 134, FT Coordin
146, 154, FT Coordin
146, 154, FT Coordin
146, 154, FT Coordin
146, 154, FT Coordin
146, FT Coordin
147, 64, Fancical
147, 64, Fancical

- E - | 11 | 105a | 105b | 105 1214 10 ECC Intil
1512 13 EEEE
1515 4012 EEEE
1516 1412 EEEE
1516 1512 EEEE
1516 EEEE
1517 EEEE
1517 EEEE
1517 EEEE
1518 EEEE

15 134 RED Heste
2014 1642 MS 1st ADR
14 13 HE Props
28 27 Hesten
28 37 15 Hesten
28 37 15 Hesten
28 37 15 Hesten
11 15 65 Hook fee
11 15 65 Hook fee
11 15 65 Hook fee
11 15 164 Hesten
29 16 Hook fee
11 15 164 Hesten
11 15 165 Hesten
11 165 H The transfer of the transfer o 42.7₈ 37.3₄ J. Reser PF 44 39.3₅ J. Flyer L. 10.3₈ 7.3₄ Juscipus Eng 9.3₄ 7.3₄ Juscipus Eng 9.3₄ 7.3₄ Juscipus Gr 10 7.3₄ Jupo Ote 59.3₈ 51.3₅ Juscipus 55 49. Juscipus 62.7₈ 53.3₅ Juscipus 12 10 Johnston 21.3₄ 17.3₄ Juscipus In

335; 23-; 89 in: Say 215; 97 i

******** ***

457 36-3 Merck
167 12 % Decemy Fri
27 22 % Infrator
28 32 % Infrator
28 32 % Infrator
28 32 % Infrator
28 43 Mercy Condition
34 12 % December 175
10 2 5-2 Merck Inc
461 43 Merck Inc
461 45 Merc

24-1; 21-4; Premais
14-1; 12-4; Premais
14-1; 12-4; Premais
14-2; 24-4; Premais
24-2; 24-4; Premais
34-34; Premais
36-36; Prem

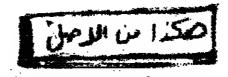
1.28 3.4 9 65 374
1.16 3.0 15 1475 394
1.080 8.5 2 6 13; 394
1.20 8.5 3; 144
1.20 8.5 32 145
1.20 8.5 20 6 914
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 11 3080 254
1.20 7.0 12 12 12 12 12
1.20 7.0 12 15 1777 12
1.20 7.0 12 12 12 12
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144 301
1.20 7.0 13 144

Financial

The second secon

12 12 14 15 +1 +3⁵8 55% 5012 GATX 3.875
47% 403% GATX
51% 47% GEOD
51% 47% GEOD
51% GTE F1.25
10% 92% GREET F1.25
10% GREET F1.25
10% GREET F1.25
10% GREET F1.25
20% GREET F1 ******* 李 本本等等者 有其本本本

56% 56% NCH Corp
56% 45% Naccor
21 16% 45% Naccor
21 16% 12% Nachus
15% 12% 144% Nachus
12% 25% Nachus
12% 15% Nachus
12% 25% Nachus
12% 15% Nachus
13% 15% Nachus
15% 13% Nachus
15% .3₈



AMEX COMPOSITE PRICES		NYSE COMPOSITE PRICES	NASDAQ NATIONAL MARKET 4 pm cicse April 3
AMEX COMPOSITE PRICES	## AMEX COMPOSITE PRICES ## American Control of the Control of th		The column 1
The state of the s	Big-Rad A 14 PU 2854 2859 2854 285 2852 285	Section 1. 19 1. 1	Secondary Cont. 11 12 13 14 15 15 15 15 15 15 15
Λ	Company 1 1 1 1 1 1 1 1 1	Cain the edge over your competitors by having the Financial Times delivered to your home or office every working day. Hand delivery services are available for all subscribers in Greater Coperhagen, Aarhus, Odense, Aalborg and Esbjerg, Please call 3313 4441 for more informetion. Financial Times. World Business Newspaper.	Company Comp

FT-Actuarles World Indices in the first quarter of 1995 ee Lest Gold

Share prices buffeted by opposing forces

Wall Street

US equities were mixed yesterday morning as Treasury bond prices rose, but the dollar failed to gain ground in spite of intervention by the Federal Reserve to support the beleaguered currency, writes Lisa Bransten in New York.

By 1 pm the Dow Jones Industrial Average was 5.88 higher at 4,163.57, while the Standard & Poor's 500 was off 0.15 at 500.56. The American Stock Exchange composite rose 0.11 at 464.52, and the Nasdaq composite was off 3.71 at 813.50. Trading volume on the

NYSE came to 156m shares. Prices were buffeted by opposing forces; data from the National Association of Purchasing Manageme ot reinforced the notion that the ecooomy was slowing without another round of monetary tightening from the Federal Reserve; but the Fed was unsuccessful in its effort to lift the currency off a new post-World War II low against the

The ecocomic data belped the bond market to gain, but prices fell off their session highs after it became apparent

cessful in shoring up the value of the dollar.

In individual sbares, E-Systems rocketed \$18% to announced that it would buy the defence company for \$64 a share or \$2.3bn. Raytheon shares fell \$% at \$72%.

Wellpoint Health Networks dropped \$1% at \$33% after the health care services company agreed to a merger with Health Systems International, down \$% at \$33%.

Continental Medical jumped \$31/2 at \$111/4, while Horizon Healthcare shed \$4 at \$22% after the two companies announced that they would merge in a deal valued at

Morrison Knudsen added 14.6 per cent with its shares rising \$% at \$6%, after the engineering, construction and rail company named a former vicechairman of Chrysler for the post of chairman.

Canada

Torooto was unsettled at midday by the volatility of the US dollar and uncertainty about the direction of other markets. The TSE-300 index was down

26.89 at 4,286.72 by nooo in vol-ume of 20.9m shares. All 14

sub-indices posted moderate to

heavy losses by midday. Con-

sumer products sank 152.66 to

6,816.84 as Seagram dropped C\$1% to C\$42% after the com-

pany declined comment oo

reports that it planned to sell

back its 24 per cent stake in Du

BRAZILIAN equities continued

to weaken as investors

remained wary regarding the

future direction of economic

policy following a statement by the president, Mr Fernando

Henrique Cardoso, at the week-

end. The Bovespa index was

down 841 or 2.8 per cent at

Last week tariffs on a num-

ber of imported goods were

raised, but Mr Cardoso held

out the possibility in a week-

end statement that the tariffs

could be reduced in the near future. There were worries

that bank reserve require-

at 1,843.01 by midday, and in ARGENTINA the Merval index

ments could be tightened. MEXICO moved cautiously higher, the IPC index up 10.18

improved 1.16 to 383.62.

Latin America

28,948 by midsession.

Continental bourses gain new champion

Continental bourses gained a new champion yesterday in Mr Albert Edwards, global strategist at Kleinwort Benson, whose latest weekly raised its continental European weighting from 4 per cent to 16 per cent, writes Our Markets Staff. Mr Edwards believes that the

bear market in continantal European bonds is largely ovar; that earnings visibility has been good, and that moder ate prospective p/e's now seem attainable; that European equities are a very good hedge against an outright US recession; and that last week's discount rate cut by the Bundes-bank will have an effect on the D-Mark - "perhaps not against the US\$, but certainly against

FRANKFURT seemed to be in tactical, rather than strategic mode. Turnover fell yet again, this time from DM5.8bn to DM4.7bn as the Dax index rose though a session close of 1,930.82 to an Ibis-indicated 1,934.96, up 20.27.

The key index moved with firmer Dax futures prices, suggesting sbort covering after Friday's 35-point fall. Individual gains, too, were most obvious in the recently weak chemicals and carmakers, BASF rising DM5.30 to DM281.80, Volkswagen DM9.70 to DM358.60 after last week's better than expected 1994 earnings, and Henkel recovering DM20 to DM527 following a drop of DM26 last Friday. Meanwhile, the banking sea

son continued with en 8 per cent decline in net profits from Bayernverein, mild after Friday's 20 per cent drop at Dresdnar; the shares, which fell DM19.80 on Bayernvarein's rights issue news last Friday. recovered nearly half of their

osses at DM395, up DM9.
PARIS found little to cheer about; there was some disappointment that the Bank of France did not cut interest rates in response to last week'a action by the Bundesbank. However, there was a general consensus that the bank might yet make a move at its monetary council meeting on Thurs-day. Much would depend, brokers said, oo the level of the franc against the D-Mark over

the next few days. The CAC-40 index improved 4.52 to 1.864.00, having touched a high of 1,872 during the day. JP Morgan Securities in London raised tha French market to overweight following the Buba cut, and argued that the market demonstrated good fundamentals which included low inflation, solid growth and low

valuation.
Alcatel Alsthom put on FFr14.60 to FFr449.00 ahead of tomorrow's 1994 results, which are expected to reveal a substantial downturn in profits from their 1993 level.

Among vehicle manufacturers Peugeot improved at the expense of Renault, adding FFr8 to FFr684 as the latter slipped FFr3.40 to FFr164.50. James Capel yesterday added its voice to those downgrading Renault following last week's interim results,

AMSTERDAM moved gingerly ahead, the AEX index ris-

THE PUROPEAN SERIES 13.00 14.00 15.00 Chee. 1243.96 1245.75 1246.94 1247.69 1247.70 1250.84 1249.51 1252.06 1251.87 1254.81 1355.42 1367.09 1355.95 1359.16 1357.67 1350.10

ing 0.88 to 394.28.

gian financial services group. was unchanged at F174.10 as investors bided their tima ahead of Thursday's 1994 results. Analysts forecast a profits rise of some 15 per cent. Frans Maas, the road transport group in which KLM holds a 32 per cent stake, fell 50 cents to F143.50; after tha close it passed its dividend, and estimated a loss for 1994 of some FI 14.5m. The company expec-ted to make an improvement in its 1995 figures as its restructuring measures began to come

Borsumij Wehry, the trading group, lost 90 cents or 3.2 per cent to F127.50 after the stock exchange announced that the company was being investigated in connection with alleged share purchase irregularities.

Aegon, the insurer, which

ZURICH finished flat in very rose 2.2 to 2,511.1.

Financials were sopported by lower interest rates. UBS rose SFr5 to SFr1.037 and SBC

TEL AVIV fell 2.2 per cent on top of Sunday's 2.7 per cent

Fortis AMEV, the Dutch-Bel-

MILAN was depressed by the

forecast on Friday a rise of between 7 to 12 per cent in net profit for 1995 slipped 30 cents to Fl 109.50.

thin, futures related trading, with prices tracking currency movements. The SMI index

SFr3 to SFr376. A SFr 9 rise in Swiss Re registered to SF1762. was attributed to demand from

several Swiss banks. Sulzer certificates gained SFr5 to SFr689 after the group's announcement of an increased 1994 dividend.

weakness of the lira against the D-Mark, the slow progress in pension reform negotiations batween the government, employers and unions, and worries about forthcoming regional elections. The Comit index fell 7.12 to 592.35. Olivetti fell L62 or 3.9 per

cent to L1,528 on continuing worries about the 1994 results and speculation, in spite of company denials, about a pos-sible capital increase. Cir, the De Benedetti industrial holding company, lost L44 or 3.2 per cent to L1,330, Nordic bourses hosted some strong individual atories. In

STOCKHOLM, with the Affarsvärlden General index up a mere 2.60 to 1,461.30, Autoliv rose SKr5 to SKr284 on confirmation of talks with Ford on the supply of airbags and seat-belts, but Volvo fell SKr2.50 to SKr125 after It said that its Procordia Food, and Abba Seafood units were to be sold to

Norway's Orkia. OSLO saw Orkia A shoot up NKr11 to NKr238 on the same deal as the all share index rose 2.94 to 609.94. In COPEN-

HAGEN, there was support for

Tele Danmark which rose DKr5 to DKr293 as the KFX index close 0.58 higher at 90.09: but the insurer, Topdanmark, fell DKr16 to DKr560 after news of a heavy loss, and an impending rights issue.

Bank of Ea

decline, on a continued selling by the speculators who pushed the market higher last week. The Mishtanim index fell 3:47 to 158.11 as the government's privatisation committee postponed implementation of the first stage in El Al Israel Air-lines' privatisation for six months, because of disagree ments among the government its advisors and management

over the value of the airline. ISTANBUL continued on its record setting way, adding 4.1 per cent to the 8.6 per cent advance registered throughout last week. The composite index rose 1,634.35 to an all time high of 41,471.68, in turnover that firmed to TL11,660bn from Friday's TL11,010bn and com pared with a record high of TL12,460bn on Thursday.

Written and edited by Willian

SOUTH AFRICA

Johannesburg gold shares renewed Friday's gains in reaction to the strength of the bullion price but industrials ended little changed on a lack of institutional interest.

The overall index gained 44.5 to 5.326.4. industrials were unchanged at 6,655.4 and golds jumped 65.1 or 4.4 per cent to 1.584.5 after a 6 per cent rally on Friday.

Nikkei begins year with 4.7% dive Y1.300. Confidence improved

Tokyo

The yen's rise against the dollar prompted selling of stock futures by domestic institutions and, oo the first day of the new fiscal year, the Nikkei index plunged 4.7 per cent on arbitrage unwinding, writes

The Nikkei index lost 758.66 to 15,381.29, its lowest level since August 1992, after a high of 16,079.64 and a low of 15,271.79. The Topix index of all first section stocks fell 57.28, or 4.4 per cent, to 1,250.61, while the Nikkei 300 declined 10.77 to

Domestic institutions hedged positions, which pushed down futures prices and triggered the unwinding of arbitrage positions by both domestic and foreign dealers. The sharp fall in the dollar also prompted the liquidation of export oriented

Volume fell to 315m shares against Friday's 410.7m. In London, the ISE/Nikkei 50 index added 2.52 to 1,032.42.

"There were not any buyers in the market and the index fell on thin trading without much panic," said Mr Yasuo Ueki at Nikko Securities. Declines overwbelmed advances by 1,050 to 24, with 48

issues remaining unchanged. Some brokers commented that unless the government came up with measures to stem the yeo's strength in foreign exchange trading the market might not be able to pull out of its current downturn.

"If the Nikkel falls below 15,000, there will not be technical support until 14,309, the level which it fell to in 1992." said ooe Japanese trader. Investors were also disapfailure to cut its official discount rata after last week's unexpected German intarest rate cut.

Buying of the dollar on the currency market by the US Federal Reserve and the Bank of Japan failed to support the US currency. Currency traders noted that it was the first time in six years that the US Fed had intervened in Tokyo.

index-linked selling hit the banking sector which lost 5.5 per ceot overall, industrial Bank of Japan lost Y100 to Y2,150, Fuji Bank Y150 to Y1,700 and Sumitomo Bank

Y160 to Y1,690. High-technology stocks were also affected by the yeo's strength. Hitachi fell Y50 to Y850 and Sony Y250 to Y4,100. Some individuals bought speculative stocks, with Sumitomo Construction gaining Y2 to

fell 883.03 to 17,324.53 in volume of 6.2m shares. Aoyama Trading, the meo's

following last week's press conference at which the company denied speculation that it had posted large losses due to derivative trading; and that tha company president had ties with Aum Shinrikyo, the religlous cult which is suspected of being linked to last month's

Roundup

Tokyo's depressed mood spilled over to the region amid below average turnover. Taipei was

closed for a holiday.

HONG KONG followad
Tokyo's lead and the Hang
Seng index fell 187.28 to finish at 8,400.44 after rotational buying of property counters lifted it off the low of 8,362.20. Turn-

over shrank to HK\$2.3bn against HK\$3.1bn on Friday. Banks were among the day's biggest losers with HSBC Holdings easing HK\$2.25 to HK\$85 and Hang Seng Bank down HK\$1.91 to HK\$50.50.

SYDNEY saw selected gains among gold mining issues on a firmer bullion price, as leading industrials weakened. The All Ordinaries index dipped 7.1 to 1,899.5 in light turnover of

In Osaka, the OSE average A\$287m. In the mining sector, CRA eased 8 ceots to A\$17.68 and the firmer gold price boosted suit retailer, was one of the day's few gainers, rising Y40 to MIM, up 5 cents at A\$1.92 and WMC up 1 cent at A\$6.88.

SINGAPORE was weak in the absence of institutional demand with the volatile US dollar also curbing trading interest and the Straits Times Industrials index closed 18.47 down at 2,074.65.

KUALA LUMPUR took its lead from foreign markets with the weak US dollar also curb-ILOM funds. The composite index lost 17.76 or 1.8 per cent at 966.31 in thin volume of 74.6m

Resorts World extended its slide, losing 50 cents to M\$12.60 on the back of its disappointing full-year results. Poor earnings also took Ekran down 35 cents to M\$8.75.

North Borneo Timbers' timber deal, signed on Friday, failed to generate fresh buying, with the stock falling 40 cents

to M\$12.0. SEOUL fell 1.2 per cent in very thin and hesitant trade which left the composite index

11.45 lower at 922.64. MANILA reacted in line with the regional trend as the composite index gave up 15.62 to 2,376.63. Some profit-taking was also evideot after last week's near 6 per cent gain.

Turnover was 757.5m pesos.

BANGKOK was pressured by across-the-board selling which left the SET index down 29.97 or 2.5 per cent at 1.186.71, but off the day's low of 1,182.80. Turnover was moderate at

BHF Charterhouse CCF



757 million flotation May 1994

183 million recommended cash offer by

Groupama

February 1995

Advice on both transactions provided by: Charterhouse Bank Limited Sponsors and corporate advisers

Charterhouse Tilney Securities Limited Stockbrokers



Charterhouse Bank Limited is Regulated by The Securities and Futures Authority. Charterho Authority and is a Member of the London Stock Exchange. 1 Paternoster Row, St Paul's, London EC4M 7DH. ement appears as a matter of record only.

